FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-94-121
Thursday
23 June 1994

Daily Report
East Asia

FBIS-EAS-94-121

CONTENTS

23 June 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Conference on Future of Asia-Pacific Environment *[KYODO]* 1
  Meeting Urges Sustainable Cities *[KYODO]* 1

NORTHEAST ASIA

Japan

Kakizawa Cancels U.S. Visit To Meet Kantor *[KYODO]* 2
Kakizawa Informs Kantor of Cancellation *[KYODO]* 2
Tokyo Welcomes US, DPRK Agreement To Hold Talks *[KYODO]* 2
U.S.-Japan Framework Talks Updated *[KYODO]* 3
LDP Submits No-Confidence Motion Against Hata *[KYODO]* 3
Hata Suggests Readiness To Resign *[KYODO]* 4
Hata May Resign To Form Coalition Government *[KYODO]* 4
Coalition, SDPJ Nearing Agreement *[KYODO]* 4
Hata, Murayama To Hold Top-Level Meeting *[Tokyo TV]* 5
Hata, Murayama Fail To Patch Severed Ties *[KYODO]* 5
Hata, Murayama Plan To Meet 24 Jun *[KYODO]* 6
Upper House Budget Committee Approves Budget *[KYODO]* 6
Further on Enactment of Fiscal 1994 Budget *[KYODO]* 7
Lower House Approves Representation Bill *[KYODO]* 7
House To Order Toshio Yamaguchi To Apologize *[KYODO]* 7
Public Survey on Politics, Leadership Conducted *[KYODO]* 8
Supermarket Chain Seeks Operations in PRC *[KYODO]* 8
Nomura To Develop Big Industrial Zone in SRV *[KYODO]* 8
Rice Retailers Group To Boycott Thai Rice *[KYODO]* 9
Tokyo Money Rates Remain 'Unchanged' *[KYODO]* 9
Strong Yen Not 'Reflected' in Consumer Prices *[KYODO]* 9
U.S., Japanese Lobbies on Surplus-to-GDP Ratio Cut *[KYODO]* 10
Hata Urge Stimulus Measures *[KYODO]* 10
MITI To Provide Relief to Small Businesses *[KYODO]* 10
Fujii Envisions Tight Budget Again Next Year *[KYODO]* 10
Life Insurance Group Views Government Proposal *[KYODO]* 11
Tax Commission Presents Report to Hata *[KYODO]* 11
Net Revenue Surplus With Tax Reform Recommended *[KYODO]* 12
Product Liability Bill Enacted *[KYODO]* 12
MITI Minister Welcomes Product Liability Bill *[KYODO]* 12
Tokyo Cannot Call Use of Nuclear Arms Unlawful *[KYODO]* 13
ASDF Makes 'Debut' in Pacific Rim Exercise *[KYODO]* 13
May Auto Output Marks 20th Straight Decline *[KYODO]* 13
Panel Seeks Reform on Electric Power Industry *[KYODO]* 14

Mongolia

Democratic Union Leader Elbegdorj Retains Post *[MONTSAME]* 14
MONTSAME Carries Press Review for 22 Jun 14

North Korea

Paper on Reasons for Withdrawal From IAEA *[KCNA]* 15

Namchongnyon Protests Reported in ROK *[KCNA]* 16
ROK Military 'Provocations' in DMZ Denounced *[KCNA]* 16
CPRF Denounces ROK Nuclear Arms Development *[KCNA]* 16
Expectation for Talks With U.S. Confirmed *[KCNA]* 17
U.S. 'New War Provocation Maneuver' Denounced *[Pyongyang Radio]* 18
U.S. 'Hard-Line Conservative Forces' Denounced *[Pyongyang Radio]* 18
Thai Legislative Delegation, Speaker Arrive *[KCNA]* 19
    Meet With SPA Chairman 21 Jun *[KCNA]* 19
Japanese, U.S. Military 'Tieup' Denounced *[KCNA]* 19
U.S. Military Activities in Japan Condemned *[Pyongyang Radio]* 19
Japanese Remarks on Past Nuclear Activities Noted *[KCNA]* 20
Arrival of Chinese Military Delegation Reported *[KCNA]* 21
    Army Chief Meets With Delegates *[KCNA]* 21
Envoy Pays Farewell Call on Egyptian Leader *[Pyongyang Radio]* 21
Bangladesh Party Delegation Arrives 21 Jun *[KCNA]* 21
Kim Il-song Tome on Reunification Commemorated *[Pyongyang Radio]* 21
Seminars on Kim Chong-il's Works Held Abroad *[KCNA]* 25
Daily Lauds Kim Chong-il's 'Clairvoyance' *[KCNA]* 25
Party, People, Army 'Worship' Kim Chong-il *[KCNA]* 25
Kim Chong-il Thanks Workers for Unity *[KCNA]* 26
Yi In-mo Tours Sites Around Pyongyang *[KCNA]* 26
Industrial Production Increases Praised *[Pyongyang Radio]* 26

South Korea

DPRK Informed of Delegates to 28 Jun Contact *[Seoul Radio]* 27
Foreign Ministry Strategy for Summit Analyzed *[HANGUK ILBO 22 Jun]* 27
Directive on Seeking Early Inter-Korean Summit *[KYONGHYANG SINMUN 23 Jun]* 28
Possibility of Regular Korean Summits Studied *[YONHAP]* 28
Prudence Urged in Approach to Summit Talks *[KYONGHYANG SINMUN 23 Jun]* 29
Clinton Calls Kim on Resumption of DPRK Talks *[YONHAP]* 29
DPRK Vows To 'Comply in Full' With NPT *[YONHAP]* 29
DPRK Invites Seoul Sports Officials to Meeting *[YONHAP]* 30
Thai Premier Chuan Arrives for Official Visit *[YONHAP]* 30
Trade Minister Comments on WTO Post Bid *[YONHAP]* 31
Students Stage 'Violent' Demonstration *[YONHAP]* 31
Emergency Planning Chairman Interviewed *[SISA JOURNAL 23 Jun]* 31
President Kim Discusses Competitiveness *[YONHAP]* 34

SOUTHEAST ASIA

Burma

Australian Envoy Denies Border Aid Report *[AFP]* 35
PRC Military Delegation Arrives for Visit *[Rangoon Radio]* 35

Brunei, Malaysia & Singapore

Malaysia

Minister Tells US EAEC Not To Weaken APEC *[Kuala Lumpur International]* 35
MOU on Business Councils Signed With Brunei *[Kuala Lumpur International]* 35
National Front Admits Two Sabah Parties *[BERITA HARIAN 11 Jun]* 36

Cambodia

KR Claims Government Offer Losing Appeal *[AFP]* 36
Editorial Views Diplomats Statement on Reform *[Radio VGNUFC]* 37
More Villages in Siem Reap Said Liberated *[Radio VGNUFC]* 37
Cabinet Meeting Ratifies Investment Law *[REAKSMEI KAMPUCHEA 22 Jun]* 38
Trade Ministry Reports Economic Situation *[REAKSMEI KAMPUCHEA 23 Jun]* 38
Rural Network Planned for Battambang *[REAKSMEI KAMPUCHEA 23 Jun]* 39
Special Vietnamese Police Force Set Up *[Radio VGNUFC]* 39

Indonesia

Official: No Intention To Stop Wheat Import *[THE INDONESIA TIMES 13 Jun]* 39
Hun Sen Says No Further Negotiations *[Jakarta Radio]* 40
Cambodia Said Debating ASEAN Membership *[ANTARA]* 40
Cambodia, Indonesia Sign Cooperation Accord *[Jakarta Radio]* 40
Taxation Accord Signed With Sri Lanka *[ANTARA]* 40
Further Reportage on Government Media Ban 41
  Murdiono Defends Action *[THE JAKARTA POST 16 Jun]* 41
  Openness Said Not Affected *[ANTARA]* 41
  Association Expresses Views *[Jakarta Radio]* 41
  Journalists Express Concern *[ANTARA]* 42
Issue of German Warships Clarified *[THE JAKARTA POST 10 Jun]* 42
Country Said Now Third Largest Coal Exporter *[Jakarta Radio]* 43
Minister: Rice Situation, No Imports Planned *[ANTARA]* 43

Laos

Government Delegation Leaves for UNDP Meeting *[KPL]* 43
Hanoi Delegation Arrives for Talks *[Vientiane Radio]* 44
Protocol on Farming Cooperation Signed *[Vientiane Radio]* 44
Thirteen Power Projects Reported in Pipeline *[BANGKOK POST 22 Jun]* 44
Saman Vi-gnaket Meets With Representatives *[Vientiane Radio]* 45
Meritorious Medal Conferred on Minister *[Vientiane Radio]* 45
Minister Addresses Meeting on Defense Work *[Vientiane Radio]* 45
Satellite Station Transferred to Ministry *[KPL]* 46

Philippines

Farmers Urge Senate Not To Ratify GATT *[Quezon City Radio]* 46
Marines Attack Abu Sayyaf Camp *[Quezon City Radio]* 46

Thailand

Finance Minister Views Dollar Drop *[THE NATION 23 Jun]* 46
Article Views Effects of Stronger Yen *[THE NATION 23 Jun]* 47
Spokesman: Stronger Yen Benefits Economy *[BANGKOK POST 23 Jun]* 48
Article Previews Chuan's ROK Visit *[BANGKOK POST 23 Jun]* 48
Prime Minister Leaves for ROK Visit *[Bangkok Radio]* 50
Deputy Minister Previews ASEAN Forum *[Radio VOFA]* 50
Ministry Retaliates Against India *[Radio VOFA]* 51
Cambodian Border Checkpoint To Reopen 1 Jul *[BANGKOK POST 23 Jun]* 51
Vaccine Tests Slated for Discontinuation *[BANGKOK POST 23 Jun]* 51
NSC Chief: Danger of Terrorist Activity *[BANGKOK POST 23 Jun]* 52
Two Terrorists Surrender to Officials *[Bangkok Radio]* 52

Vietnam

War Veterans Delegation Visits U.S., France *[VNA]* 52
31st Joint Search for MIA's Begins *[Hanoi International]* 53
Tran Duc Luong on Normalization of Relations *[QUAN DOI NHAN DAN 31 May]* 53
Minister Receives Japanese Delegation *[VNA]* 53
Military Delegation Concludes DPRK Visit *[VNA]* 54
Radio Reviews Diplomatic Activities *[Hanoi Radio]* 54
Government Amends Policy on Censorship *[QUAN DOI NHAN DAN 2 Jun]* 55
National Assembly Meeting Continues 55
  22 Jun Proceedings *[Hanoi Radio]* 55
  Minister Delivers Report *[Hanoi Radio]* 55
  Communique No. 21 *[Radio VOFA]* 56
Minister Wants AMC Individuals Punished *[NHAN DAN 7 Jun]* 56

AUSTRALASIA

Australia

Canberra Sending Reconnaissance Mission to Rwanda *[Melbourne International]* 58
Keating: No Need To Raise Interest Rates *[Melbourne International]* 58

Papua New Guinea

Government Urged To Resume Talks *[Melbourne International]* 58
Talks Cancelled as Rebels Unable To Attend *[Melbourne International]* 58

New Zealand

International Investment Position Declines *[AFP]* 58
Bolger Views MP Delegation's Planned Visit *[AFP]* 59

Western Samoa

Government To Grant More Funds for Airlines *[AFP]* 59
Prime Minister Launches Verbal 'Assault' *[AFP]* 59

Conference on Future of Asia-Pacific Environment

OW2106145094 Tokyo KYODO in English 1429 GMT 21 Jun 94

[Text] Tokyo, June 20 KYODO—Environment ministers and senior officials from 17 Asia-Pacific countries began a two-day conference Tuesday [21 June] to discuss ways of promoting regional cooperation in tackling environmental problems.

Participants in the environment congress for Asia and the Pacific (Eco Asia '94), under way in Omiya outside Tokyo, also include delegates from the Asian Development Bank and 10 other international organizations.

The conference participants are discussing recent global trends for sustainable development, in keeping with decisions made at the 1992 earth summit in Rio de Janeiro. The theme of that summit was "Ecologically Sustainable Development."

Indonesian Environment Minister Sarwono Kusumaatmaja, the keynote speaker, said the political and economic basis for resolving environmental issues should be radically altered in the region, which contains more than half the world's population and is undergoing rapid urbanization and economic growth.

But a Chinese delegate said prices for the region's primary products are low and growth can now only be guaranteed if the region's resources are used to excess.

The Chinese delegate said this can only be remedied if developed countries cooperate by supplying funds and technology to developing countries.

A Canadian delegate recommended devising targets for the preservation or improvement of the environment, while a delegate from the United Nations University suggested the setting up of a center for the supply of information on the environment and technology.

On Wednesday, delegates will discuss a long-term outlook for the region, strategies to cope with urbanization, and cooperation among regional government authorities and agencies.

Meeting Urges Sustainable Cities

OW2206143594 Tokyo KYODO in English 1126 GMT 22 Jun 94

[Text] Omiya, Japan, June 22 KYODO—Representatives from 16 countries in the Asia-Pacific region ended a two-day environmental meeting Wednesday [22 June] with a call for the development of sustainable cities and the protection of island nations from the effects of global warming.

The call was included in a document adopted at the environment congress for Asia and the Pacific (Eco Asia '94) in Omiya, Saitama Prefecture.

Senior officials from 16 governments, including five ministers, as well as representatives from eight international organizations attended the congress.

The congress, the third since 1991, reviewed progress in achieving environmentally sustainable development in the region since the U.N. Conference on Environment and Development (UNCED), otherwise known as the earth summit, in Rio de Janeiro in June 1992.

The document, issued in the name of the conference chairwoman, Environment Agency Director General Toshiko Hamayotsu, said the region needs to shift from theoretical considerations to "concerted political and practical actions, international cooperation, and sufficient institutional and capacity building."

Countries represented at the congress are home to more than half the world's population, with millions of people concentrated in rapidly growing cities.

The document notes the concern of delegates over pollution and urban crowding in the region caused by rapid economic development at the expense of the environment.

It urges, for the first time at an Eco Asia meeting, the development of the concept of sustainable cities.

It also calls for developed countries to "change their mass consumption lifestyles, provide support for realization of sustainable development in developing countries and prevent the export of pollution."

"Solid waste disposal has become a critical issue in this region," the document says.

The document also incorporates a call made Tuesday by Indonesian Environment Minister Sarwono Kusumaatmaja to "tackle the problems" of small island states.

Indonesia and a number of other Pacific nations incorporate thousands of small, low-lying islands which could be threatened if global warming causes a rise in sea levels.

Although many delegates favored establishment of an Eco Asia secretariat in Japan, opinion was not unanimous and the document merely calls for "development mechanisms for smooth and effective implementation of Eco Asia activities."

Malaysian Environment Minister Hieng Ding Law, who served as congress co-chairman, told a press conference after the congress that there was "a general feeling that Eco Asia should continue."

"It is high time Japan should play a more significant role in implementing UNCED," Law said. "It is important to have a secretariat and a data bank."

Japan

Kakizawa Cancels U.S. Visit To Meet Kantor

OW2306113094 Tokyo KYODO in English 1122 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Foreign Minister Koji Kakizawa has canceled a planned visit to the United States this weekend for bilateral "framework" trade talks with U.S. Trade Representative Mickey Kantor, a high-ranking Foreign Ministry official said Thursday [23 June].

The cancellation was decided because the main opposition Liberal Democratic Party (LDP) submitted a no-confidence motion earlier in the day to the House of Representatives against the cabinet of Prime Minister Tsutomu Hata, the official said.

If the lower house approves the motion, Hata must either resign with his entire cabinet or dissolve the house for a general election.

"Under the circumstances, it is not appropriate for the foreign minister, who is a member of the cabinet, to go to the U.S. and negotiate," the official said.

Kantor said Tuesday he plans to discuss macroeconomic and sectoral issues when he meets Kakizawa.

On Tuesday, Chief Cabinet Secretary Hiroshi Kumagai said Kakizawa's visit to the U.S. has yet to be fixed because of uncertainties in Japan's political community.

Kakizawa was to leave Japan on Friday and return to Tokyo on Monday.

Japan and U.S. officials have said they hope to reach an agreement in the talks on setting up a new bilateral trade framework before the Naples summit of the Group of Seven (G-7) industrial nations in July.

Under the framework negotiations designed to rectify the chronic trade imbalance between the two countries, the U.S. is pressing Japan to set "objective criteria" to measure progress in market- opening.

But Tokyo rejects binding criteria, saying they could lead to managed trade.

Kakizawa Informs Kantor of Cancellation

OW2306151794 Tokyo KYODO in English 1504 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Foreign Minister Koji Kakizawa informed U.S. Trade Representative Mickey Kantor by phone on Thursday [23 June] night that he has canceled his planned visit to the United States this weekend for bilateral "framework" trade talks, Foreign Ministry officials said.

Kakizawa and Kantor agreed to hold a working-group meeting on the framework talks in the middle of next week in Washington, the officials said.

The cancellation was decided because the main opposition Liberal Democratic Party (LDP) submitted a no-confidence motion earlier in the day to the House of Representatives against the cabinet of Prime Minister Tsutomu Hata, they said.

Tokyo Welcomes US, DPRK Agreement To Hold Talks

OW2306040694 Tokyo KYODO in English 1224 GMT 23 June 94

[Text] Tokyo, June 23 KYODO - Japan on Thursday [23 June] welcomed an agreement between the United States and North Korea to hold high-level talks in Geneva early next month to defuse the standoff over North Korea's alleged push for nuclear weapons.

"We welcome the move toward U.S.-North Korea talks," Chief Cabinet Secretary Hiroshi Kumagai said at a regular news conference.

The top government spokesman also urged Pyongyang to allay international concerns over its nuclear program through action and pledged that japan will continue efforts to resolve the North Korean nuclear issue in close concert with the U.S. and South Korea.

Specifically, Kumagai said North Korea should formally return to the nuclear Non-Proliferation Treaty (NPT), comply with international nuclear safeguards requirements, and implement a joint declaration with South Korea for a nuclear-free Korean peninsula.

"It is important to persuade North Korea in various ways," Kumagai said.

In March last year, North Korea said it was pulling out of the NPT but suspended the decision later.

U.S. President Bill Clinton announced wednesday that the U.S. and North Korea will hold high-level talks in Geneva early next month following Pyongyang's assurances that it will freeze its nuclear program while the talks are in progress.

Japanese Foreign Ministry sources said japan cautiously welcomed the U.S. Government's confirmation of North Korea pledge to freeze its nuclear program, as well as Washington's intention to resume diplomatic talks with Pyongyang.

The sources said U.S. Secretary of State Warren Christopher conveyed Washington's decision to hold a third round of high-level talks with Pyongyang in a telephone call earlier in the day to Foreign Minister Koji Kakizawa.

They said the U.S. Took note of Japan's desire to see steps taken to uncover the history of operation of North Korea's nuclear reactor to ensure no plutonium has been diverted for a covert nuclear weapons development program.

U.S. officials were quoted as saying the issue may be on the agenda of the third round of talks.

But the sources said the Japanese Government is not optimistic about what may well turn out to a mere replay of events, in which North Korea proceeds at its own pace, putting off a resolution of the issue.

They said that if North Korea is not more forthcoming at the talks, the course of events will inevitably lead back to consideration of economic sanctions to force Pyongyang into compliance with the will of the international community.

Clinton said Wednesday that during the period of the talks the U.S. will suspend efforts to pursue a sanctions resolution in the U.N. Security Council.

U.S.-Japan Framework Talks Updated

OW2306103994 Tokyo KYODO in English 0956 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Japan and the United States have made steady progress in bilateral trade "framework" talks on government procurement, a Japanese official said Thursday [23 June].

"We are advancing step by step," the official at the Foreign Ministry said, briefing reporters on two days of subcabinet-level talks that ended Thursday.

The official said the latest meeting between Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshevsky took up every topic under the government procurement category of the framework negotiations.

The subjects for talks included the most sensitive issue of how to set "quantitative criteria" as a way to gauge the openness of Japan's market, the official added.

Talks on the framework's government procurement area comprise medical equipment and telecommunications equipment. No U.S. trade officials could be reached for comment on the latest meeting.

The Japanese official said the high-level talks were held on the basis of Japanese proposals shown in a market-opening package in March.

"It would not be correct to say the Japanese side has been 120 percent satisfied with the results of the two-day discussion," the official said.

But he added, "mutual understanding has been deepened."

The official said the latest talks gave him impression that the spirit of a may agreement between Japan and the U.S. to resume the long-suspended framework talks is "still alive."

He was referring to the accord that clarified Washington's pledge not to seek any "numerical targets" in restarted framework talks.

The official acknowledged both parties are still divided over the treatment of Nippon Telegraph and Telephone Corp. (NTT) under telecom trade talks.

"Japan and the U.S. have remained unchanged in their basic stance on the matter," the official said.

Tokyo has insisted that NTT, a private company, should not be included in the agenda of the bilateral government procurement talks while the U.S. has proposed differently, saying the Japanese telecom giant is partly owned by the government.

The official said the two countries are likely to hold working-level talks on government procurement in Washington next week or the week after next, in order to keep the talks moving ahead, the official said.

Government procurement is one of the three priority trade sectors under the framework talks along with insurance and trade in auto and auto parts.

Trade talks on the three areas recently resumed after a hiatus of three and a half months following the rupture of the summit between then Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton in February.

LDP Submits No-Confidence Motion Against Hata

OW2306083694 Tokyo KYODO in English 0827 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The largest opposition Liberal Democratic Party (LDP) submitted a no-confidence motion Thursday [23 June] to the House of Representatives against the government of Prime Minister Hata shortly after the Diet passed the overdue budget for fiscal 1994.

The LDP decided to submit the motion during its Executive Council meeting Wednesday, saying the government has not made sufficient efforts to clarify former Prime Minister Morihiro Hosokawa's suspected personal financial irregularities.

If the lower house approves the motion, Hata must either resign en masse with his cabinet or dissolve the house for a snap general election.

But it is not clear whether the LDP will have the support from the second largest opposition Social Democratic Party (SDP) needed to muster a majority of votes to pass the motion.

The SDP, which split from the ruling alliance in April, indicated earlier it may join the LDP in pushing the motion but displayed willingness Wednesday to mend frayed ties with the coalition.

Hata and SDP head Tomiichi Murayama were scheduled to meet later Thursday to discuss a possible realliance.

The LDP and the ruling coalition are courting the SDP since both sides are short of a majority in the Diet.

The LDP urged the SDP earlier Thursday to hold a meeting of the two parties' leaders to discuss a plan to set up a new government.

The current Diet session ends next Wednesday.

Hata Suggests Readiness To Resign

OW2306085394 Tokyo KYODO in English 0848 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Prime Minister Tsutomu Hata Thursday suggested he is ready to resign along with his entire cabinet if the current talks between his ruling coalition and the Social Democratic Party call for the step.

"I would like to leave (everything), including the issue of my resignation, to the decision of the talks," he said at a press conference.

Hata May Resign To Form Coalition Government

OW2306102594 Tokyo KYODO in English 0935 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Prime Minister Tsutomu Hata on Thursday indicated the possibility of stepping down with his entire cabinet to fashion a fresh coalition government and tackle a host of formidable domestic and foreign policy challenges. Hata, 58, said he is ready to disband his cabinet if it is necessary to bring the Social Democratic Party (SDP), a former member of the ruling coalition, back to the fold. The coalition and the SDP are currently holding rounds of realliance talks.

"I would like to leave (everything), including the issue of my resignation, to the decision of the talks," he said at a news conference. Today, we are in an extremely difficult situation," Hata said. "It is tremendously important to form a powerful government in order to get through this difficulty."

Hata met the press shortly after the long-overdue fiscal 1994 budget cleared the Diet and the main opposition Liberal Democratic Party (LDP) filed a no-confidence motion against the Hata government.

The premier said he will relay his intention to SDP Chairman Tomiichi Murayama when they meet later Thursday to weigh the option of forming a new coalition government with the SDP's participation.

The SDP, the largest contingent in the last government of Prime Minister Morihiro Hosokawa, walked out of the ruling coalition in late April, forcing Hosokawa's successor, Hata, to form Japan's first minority administration since 1955.

The coalition is prepared to accept in principle the terms for the SDP's return. One last hurdle is the SDP's demand that the Hata cabinet resign en masse before the formation of a new administration.

On the LDP's submission of a no-confidence motion, Hata countered he has exerted strong leadership to deal with numerous tasks for the sake of Japanese livelihoods since assuming office two month ago.

Hata renewed his opposition to the idea of holding the next general election under the current multiseat electoral system, which is soon to be replaced by a new system combining single-seat constituencies with proportional representation.

"Now is not the time to contest an election under the present multiseat system," because a government panel will shortly finish its task of redrawing a new electoral map for the House of Representatives, he said.

Although the Diet legislated in January a package of electoral reform bills for the lower house, the additional passage of a yet-unformed redistricting bill is required to allow the next election to be lawfully contested under the new system.

But he also said he has no intention of waiving his right to dissolve the lower house as head of government.

"The last resort for the premier when facing off with parliament is to exercise the right to dissolve (the lower house)," Hata said. "And I cannot deny this."

Coalition, SDPJ Nearing Agreement

OW2306074094 Tokyo KYODO in English 0728 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The shaky ruling coalition of Prime Minister Tsutomu Hata and the former partner Social Democratic Party (SDP) [of Japan, SDPJ] were nearing agreement in their crucial reconciliation talks Thursday [23 June], with speculation rife on the probability of Hata's resignation, political sources said.

Jockeying among key political parties entered the last stretch amid a looming possibility of agreement on realliance being reached at a meeting later in the day between Hata and SDP Chairman Tomiichi Murayama.

The SDP, which split from the coalition in April in protest against maneuvering by its partners to create a new Diet bloc excluding the SDP, confirmed earlier in the day the party's policy of demanding Hata's resignation as a condition for its rejoining the fold.

Murayama is expected to urge Hata, who leads the first minority government in four decades, to resign along with his ministers at the planned meeting, coalition and SDP sources said.

Hata has so far rejected the call, but some coalition lawmakers Thursday voiced the view that he will announce his bowing out to pave the way for an early realliance.

The Liberal Democratic Party (LDP), the largest opposition bloc, is poised to submit a no-confidence motion against the Hata cabinet after the budget passes the Diet later in the day.

The SDP turned down the LDP proposal for talks to form a joint government in a clear signal that it places top priority on the bid to rejoin hands with the coalition.

The SDP-coalition negotiations, based on the SDP's policy outline put forth Wednesday, centered on the bills for redrawing an electoral map in line with the political reform law passed in January and the proposed hike of the consumption tax.

The coalition called for an extension of the term for the current Diet session, which expires next Wednesday, for the passage of the bills, while the socialists argued it should be delayed to the next session, the sources said.

On the consumption tax, the coalition sought an SDP agreement to specify the size of the hike, but the socialists, who strongly objected to the introduction of the tax, rejected the request.

Meanwhile, Hata expressed strong hope for an SDP return to his camp.

"I would be happy if we can move toward a new politics along with the SDP. We have a seat open for them," Hata told a House of Councillors Budget Committee session.

In the face of growing prospects for the SDP's return to the ruling camp, three small reformist groups decided thursday to refuse any overtures to join the coalition unless it is made clear that the SDP will supply the prime minister.

New party Sakigake [Harbinger], which also broke ranks with the coalition, the Group Seiun, a splinter group from the Japan New Party (JNP), and Minshu no Kaze (Democratic Wind), another JNP defector club, also called for fresh policy-making talks among all the parties that have accepted invitations to join the coalition.

A senior Sakigake legislator, Hiroyuki Sonoda, in telephone talks with SDP Secretary General Wataru Kubo, said the SDP's policy outline is acceptable.

"Sakigake would respond positively if the SDP tries to create a new coalition with Murayama as its head," he told Kubo.

Another Sakigake kingpin, Shusei Tanaka, told a press conference that the SDP's move to talk not only with the coalition but also with the LDP indicates the socialists have a radical realignment of the coalition in mind.

Hata, Murayama To Hold Top-Level Meeting

OW2306122494 Tokyo NHK General Television Network in Japanese 1055 GMT 23 Jun 94

[From the "NHK News 7" program]

[Text] The ruling coalition parties and the opposition Social Democratic Party of Japan [SDPJ] held talks at 1930 [1030 GMT] this evening to discuss ways to form a new coalition government. NHK reporter Kusada will report on their talks from the Diet.

[Begin Kusada recording] The third round of talks between the ruling coalition parties and the SDPJ ended just a while ago. Prime Minister Hata and SDPJ Chairman Murayama are set to hold a top-level meeting at 2100 this evening. The ruling coalition parties and the SDPJ are likely to resume their talks at 1100 tomorrow morning after seeing the results of their top-level meeting.

The ruling coalition parties and the SDPJ held three rounds of talks this morning, this afternoon, and this evening. During the talks, they came closer to agreeing that an extraordinary Diet session must be called as soon as possible to pass a bill on demarcating the single-seat constituencies, but they failed to reach an agreement on the question of handling the tax system reform. (end recording)

Hata, Murayama Fail To Patch Severed Ties

OW2306133794 Tokyo KYODO in English 1328 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Prime Minister Tsutomu Hata and the head of the Social Democratic Party (SDP) [of Japan, SDPJ], a former coalition member, failed Thursday to find common ground to patch together the severed ties between the ruling coalition and the SDP.

SDP Chairman Tomiichi Murayama told reporters that talks with Hata did not bear fruit because sessions between the two sides over policy pacts are still continuing.

Coalition parties and the SDP, which are holding talks toward forming a policy agreement, could not find any middle ground in their reconciliation talks that would pave the way for the SDP to rejoin the alliance, official sources said.

Although Hata indicated Thursday that his minority cabinet would resign en masse, a condition the SDP has demanded for returning to the fold, off-and-on sessions between the two sides aimed at achieving a policy accord before forming a new coalition, hit an impasse over differences on tax reform, the sources said.

SDP Secretary General Wataru Kubo told reporters the party cannot immediately agree on the tax reform issue, including a hike in the current 3 percent consumption tax rate.

The coalition sought an SDP agreement to specify the size of the hike, but the socialists, who objected to the introduction of the tax, rejected the request.

The minority coalition and the SDP will continue to discuss the matter Friday, the sources said.

On Hata's remarks that he is ready to step down with all his cabinet ministers, Kubo said he takes the statement seriously and urged Hata to resign voluntarily en masse.

At a press conference after the long-overdue fiscal 1994 budget cleared the Diet, Hata, 58, said he is ready to disband his cabinet if it is necessary to bring the SDP, a primary force in the previous coalition administration led by Morihiro Hosokawa, back to the camp.

The House of Representatives Diet Steering Committee, meanwhile, failed to set the timetable for the lower house to hold a plenary session to vote on a no-confidence motion against the Hata cabinet, which was submitted Thursday by the Liberal Democratic Party (LDP). The LDP has said the minority administration does not reflect people's views.

The LDP, which was ousted by the coalition last August after dominating Japanese politics for 38 years, demanded that the lower chamber take a floor vote on the no-confidence motion on Friday but the coalition opposed it, saying talks with the SDP are continuing, the sources said.

It depends on SDP members whether the no-confidence motion passes the lower house they said.

Hata, Murayama Plan To Meet 24 Jun

OW2306142694 Tokyo KYODO in English 1411 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Prime Minister Tsutomu Hata failed on Thursday [23 June] to resolve his differences with Social Democratic Party (SDP) chief Tomiichi Murayama on the course of the SDP's return to the governing coalition.

Hata repeated his stance in a meeting with Murayama, who asked him to clarify his earlier remarks indicating the possibility of disbanding his cabinet so as to lure the SDP back into the fold, Chief Cabinet Secretary Hiroshi Kumagai told reporters.

Saying Japan needs a powerful government to tackle difficult problems such as tax and political reforms, Hata reportedly told Murayama he will entrust the issue of his resignation to the ongoing talks between the coalition and the SDP.

These talks "have yet to be completed and will be resumed at 11 A.M. [0200 GMT] Tomorrow," Murayama told a separate news conference.

Murayama declined comment on Hata's suggestion of his resignation, the key condition for the SDP's return, saying the talks are still in process.

The SDP chief said the result of negotiations on the SDP's possible return to power should be known "in a day or two," as the current Diet session ends next Wednesday and the main opposition Liberal Democratic Party (LDP) filed a no-confidence motion against the Hata cabinet.

During the meeting with Murayama at his official residence, Hata urged the SDP, the main bloc in the government of former Prime Minister Morihiro Hosokawa, to rejoin the ruling alliance, Murayama said.

The SDP walked out of the coalition in late April in protest at the formation by other major coalition partners of a new parliamentary group excluding the SDP, forcing Hata to form Japan's first minority government in 39 years.

The SDP chairman said Hata pressed a demand for the clarification of the reason for the SDP's withdrawal from the coalition.

Murayama told Hata the SDP did not leave the coalition in April because of differences in policies but because of "other problems," alluding to the formation of a large parliamentary group excluding the SDP, according to Kumagai.

But Hata and Murayama agreed to watch the progress of the talks between the coalition parties and the SDP, Murayama and Kumagai said.

The ruling coalition and the SDP are currently holding talks toward reaching a policy agreement in forming a new government. The main point of contention is tax system reform, on which the two sides are still far apart.

The SDP is opposed to a hike in the current 3 percent consumption tax in return for large-scale income and residential tax cuts in 1995 and beyond.

The government is scheduled to chart a final course for a comprehensive tax system reform by the end of June and act on necessary legislation by the year's end.

At a press conference shortly after the fiscal 1994 budget cleared the Diet and the LDP filed a no-confidence motion against the Hata cabinet, Hata indicated the possibility of stepping down with his entire cabinet.

Hata told Murayama that the coalition parties have overcome many difficulties since first coming to power last August and that he wants to maintain the framework of the coalition, Kumagai said.

The chief cabinet secretary said Hata and Murayama did not discuss whether they would meet again. They also did not discuss a cabinet resignation en masse or how to deal with the no-confidence motion, Kumagai said.

Meanwhile, the House of Representatives Diet Steering Committee failed to set a timetable for the lower house to hold a plenary session to vote on the no-confidence motion.

The LDP, toppled from government last summer for the first time in 38 years, claimed Hata's minority administration does not reflect people's views. The LDP demanded the lower chamber take a floor vote on the no-confidence motion Friday but the coalition opposed it.

Upper House Budget Committee Approves Budget

OW2306070094 Tokyo KYODO in English 0603 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The upper house budget committee on Thursday approved a long-delayed state budget for fiscal 1994, which started on April 1, which will go for passage at the house's plenary session later in the day. The approval of the 73.1 trillion yen state budget at the House of Councillors committee followed passage at the House of Representatives on June 8, 70 days overdue and three months after its was tabled in the Diet.

Diet debate on the budget, which was submitted to parliament on March 4, became snarled in a political squabble over former Prime Minister Morihiro Hosokawa's personal financial affairs. Hosokawa stepped down in April because of the turmoil.

The nation's full spending budget includes 5.5 trillion yen for cuts in income and residential taxes to stimulate the economy.

Despite tight fiscal conditions, expenditures for public works projects were increased by 29.8 percent from the previous year to 11.1 trillion yen. Public works spending accounts for 15.2 percent of the 40.9 trillion yen general operating expenditures, the core part of the budget that includes most outlays other than debt-servicing costs and tax allocations to local governments. Defense spending, in contrast, was raised by a scant 0.9 percent to 4.7 trillion yen.

Further on Enactment of Fiscal 1994 Budget

OW2306080594 Tokyo KYODO in English 0757 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The long-overdue fiscal 1994 state budget became law Thursday [23 June], nearly three months after it should have come into force.

The House of Councillors gave a stamp of approval to the 73.1 trillion yen budget for the year that started April 1 at a plenary session after its budget committee cleared it earlier in the day.

Only three budgets took longer to enact than the fiscal 1994 budget during the postwar period.

The government's budget plan was tabled in the Diet on March 4 but had been left undebated for 80 days due to the political maelstrom over former Prime Minister Morihiro Hosokawa's personal financial affairs. The turmoil forced Hosokawa to step down in April.

But once deliberations started, the budget took an unusually short 23 days to become law.

The budget earmarks 40.9 trillion yen, or 2.3 percent more than the fiscal 1993 budget, for general operating expenditures, the core part of the budget that includes most outlays other than debt-servicing costs and tax allocations to local governments.

It features 5.5 trillion yen in income and residential tax reductions and sets aside 8.98 trillion yen, a 4.0 percent rise, for public works spending, both designed to shore up the ailing economy.

Outlays for defense are allowed to rise a scant 0.9 percent to 4.7 trillion yen while official development assistance was budgeted at 1.0 trillion yen, a 4.4 percent increase.

Lower House Approves Representation Bill

OW2306044994 Tokyo KYODO in English 0403 GMT 23 June 94

[Text] The House of Representatives overwhelmingly approved a bill Thursday [23 June] to reduce the current 6.5 to 1 disparity in the weight of a vote in various House of Councillors constituencies to 5 to 1.

The House of Councillors approved the bill Wednesday.

The amendment bill cleared the lower chamber's plenary session with the backing of almost all political parties and parliamentary groups except the Japanese Communist Party.

An upper house poll in the summer of 1995 will be held under the new electoral system.

The bill adds one seat to each of four underrepresented upper chamber constituencies in Miyagi, Saitama, Kanagawa and Gifu prefectures, while taking away two seats from the overrepresented Hokkaido electorate and one each from the prefectures of Hyogo and Fukuoka, legislators said.

The bill alleviates the current situation under which some relatively sparsely populated constituencies have more representation in the upper house than more densely populated constituencies, mainly in or near urban areas.

The amendment was submitted after a 1993 Osaka High Court ruling that the current maximum disparity of 6.48 to 1 violates the constitutional principle of equality for all under the law, the legislators said.

The amendment would reduce the maximum disparity to 4.81 to 1, they said.

The bill was initially introduced in the upper chamber under the cosponsorship of the Liberal Democratic Party, the Social Democratic Party [of Japan], Komeito [Clean Government Party], the Niin Club and the Shin Ryokufu Kai—a parliamentary group comprising the Democratic Socialist Party, the Japan New Party, Shinseito [Japan Renewal Party] and the Democratic Reform Party.

Goken Liberal No Kai, a five-legislator group of the upper chamber, balked at the bill, saying it is not enough to accomplish fairness in voting power.

House To Order Toshio Yamaguchi To Apologize

OW2306110394 Tokyo KYODO in English 0959 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The House of Representatives committee on discipline voted Thursday [23 June] to order former Labor Minister Toshio Yamaguchi to formally apologize in the Diet for his unruly actions at a lower house budget committee meeting last Friday.

Yamaguchi, a legislator without party affiliation, threw water at the seat of budget committee chairman Tsuruo Yamaguchi to protest the committee's decision to summon former Prime Minister Morihiro Hosokawa for questioning over his financial affairs. Yamaguchi is not a committee member.

"His behavior essentially deserves barring from the house, but he also expressed some feelings of regret," Yoshio

Yatsu, a Liberal Democratic Party (LDP) legislator, said in explaining the light punishment.

All committee members from the two main opposition groups, the LDP and the Social Democratic Party, voted for the motion.

The lower house is expected to adopt the committee's order for Yamaguchi to apologize at its next plenary session, which may be held as soon as Friday.

The House of Representatives decided earlier in the day to bring Yamaguchi before the committee on discipline for his misbehavior.

The last time disciplinary measures were taken against a lower house member was in June 1973, when Japanese Communist Party legislator Masako Kobayashi was barred from the chamber for 20 days.

Public Survey on Politics, Leadership Conducted

OW2206070094 Tokyo KYODO in English 0607 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—Many mid-level government officials questioned believe it is time politicians exert stronger leadership to rein in Japan's central bureaucracy, but fewer believe there will be major change over the next 10 years, the National Personnel Authority said in a report released Wednesday [22 June].

The Authority asked 102 division deputy director-class officials at ministries and agencies to judge the relationship between politicians and the administration. These young and prospective officials have received the Authority's administrative training from January to April.

Seventy-seven percent said "There are problems under the present conditions" and urged a change in the relationship, 50 percent cited "weak political leadership over the administration" as a problem, and 49 percent supported the statement that "The administration interferes with matters which should be handled by politicians." Eighteen percent said that political pressure is "too high."

Multiple answers were allowed, so responses add up to more than 100 percent.

But only 17 percent voiced optimism that the political world will actually undergo major change during the next 10 years, while just 6 percent said so for the administration.

"Certain changes" in politics are anticipated by 54 percent, and in the administrative sphere by 45 percent. Almost a third believe that nothing will change in politics, while 49 percent fear that the administrative system will remain the same.

"The answers show that there is hope for a change of the current conditions as well as the awareness that such change will be difficult to realize," an authority official said in analyzing the survey results.

Supermarket Chain Seeks Operations in PRC

OW2306140194 Tokyo KYODO in English 1341 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Japan's largest supermarket chain Daiei Inc., applying for Chinese Government approval to operate across the country, will open an outlet in Shanghai next year, its president Isao Nakauchi said Thursday [23 June].

Another major Japanese supermarket chain Yaohan International Group headquartered in Hong Kong, opened an outlet in Shanghai in May and has announced it will open 1,000 more outlets in the area from Shanghai to Beijing.

However, Daiei is the first Japanese supermarket chain eyeing nationwide operations in China.

Learning China plans to give a license for nationwide operations to only one or two foreign retailers, Nakauchi said he recently visited the country and applied for a license.

Daiei will pump about 3 billion yen into the planned Shanghai outlet, which is going to be a full-scale supermarket store to serve as a pilot outlet on Chinese soil, he said.

Daiei will establish joint ventures with Chinese companies, Nakauchi said, adding that Shanghai is now examining candidate Chinese firms.

He said he has not decided on the number of outlets to be opened in the country, although some industry people estimate the number will be around 300.

Industry sources said China will decide on a license after seeing how Daiei's Shanghai outlet does. There are competitors from the United States and Europe also applying for licenses, they added.

Nomura To Develop Big Industrial Zone in SRV

OW2306093794 Tokyo KYODO in English 0813 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The Nomura Securities Co. business group is promoting a project to develop a big industrial zone in Vietnam and invite scores of Japanese companies such as electric machinery makers.

In early June, a Nomura-Jafco Investment Asia Ltd.-(NjIA), a Singapore-based investment firm, reached a basic agreement with the authorities of Haiphong, near Hanoi, to conduct a feasibility study on a development project on a 170-hectare site.

The first stage of the project calls for a study on infrastructure, like supplies of electric power, water and telephones.

NJIA, which is equally owned by Nomura and Japan Associated Finance Co. (Jafco), a finance company in the Nomura group, will set up a joint venture with the authorities in September, an official at Nomura said.

It will be the first project by a group to construct such a large industrial zone in Vietnam.

"Vietnam is expected to see high economic growth in the near future. We would like to call on companies which have missed the bus for investment in China to come," the official said.

Japanese manufacturers of electric machinery, car parts, cosmetics and pharmaceuticals are expected to build factories in the area, he said.

Nomura, which is financing all costs in constructing the zone, will accept land-lease fees from those companies.

Rice Retailers Group To Boycott Thai Rice

OW2206140794 Tokyo KYODO in English 1214 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—Japan's Rice Retailers Association moved Wednesday [22 June] to virtually boycott Thai rice which is unpopular among Japanese consumers.

The group submitted a petition to the Food Agency to allow it to buy Thai rice from wholesalers according to their needs, agency sources said.

The Food Agency will decide on its attitude to the rice retailer's petition after examining the rice sales situation in June, an agency official said.

Thai rice is unpopular on the domestic market chiefly because its grain type is not suitable for traditional Japanese meals.

The sources quoted the head of the nationwide rice retailers' group as saying retailers have been piling up stocks of unsold Thai rice and do not have any solution on how to reduce them.

Japan broke a longstanding rice import ban this year to make up for supply shortages caused by a poor domestic harvest last year due to a cool, rainy summer.

On Tuesday, Agriculture, Forestry and Fisheries Minister Mutsuki Kato said rice import contracts have been signed for a total of 2,545,000 tons so far and no more contracts will be concluded.

China was the biggest exporter with 1.07 million tons, followed by Thailand with 753,000 tons, the United States with 537,000 tons and Australia with 183,000 tons.

The Food Agency, which regulates rice production and directly supervises imports and distribution, has instructed wholesalers to sell domestic rice and foreign rice in a set at a certain proportion.

In the case of Thai rice, the ratio was 20 percent a set when imported rice was put on market in March. The ratio was then reduced to 10 percent in May.

However, according to retailers, consumers often leave Thai rice at the shops even though they have paid for a whole set.

There have been resales of Thai rice on an unauthorized market at lower prices—often below 50 yen per kilogram, which is cheaper than one quarter of the government-set price, the retailers said.

There are even supermarkets offering Thai rice for free to consumers, or groups of people planning to donate it to countries with food shortages, they said.

Tokyo Money Rates Remain 'Unchanged'

OW2306050094 Tokyo KYODO in English 0337 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Money rates remained unchanged in Tokyo on Thursday [23 June] as the Bank of Japan took an almost neutral monetary stance.

In interbank trading, the unsecured overnight call rate was traded at 2 2/32 to 2 3/32 percent.

On the open market, the rate on newly issued three-month certificates of deposit was offered around 2.11-2.13 percent.

Considering the yen's recent gain against the dollar, the central bank's supply of funds was rather smaller than expected, said a dealer at a Japanese commercial bank.

Some expect the central bank to continue its monetary stance to stabilize longer-term interest rates for some time.

A dealer at a long-term credit bank said, "It will be a long time before the Bank of Japan tries to lead interest rates lower to check the yen's appreciation."

The bank of Japan injected 300 billion yen into the market by purchasing one-week discount bills worth 200 billion yen and by lending 100 billion yen to commercial banks, against the projected shortage of 320 billion yen for the day.

As of Wednesday, reserves by commercial banks in the central bank coffers were 300 billion yen over the required amount.

Strong Yen Not 'Reflected' in Consumer Prices

OW2206231294 Tokyo KYODO in English 2245 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—The Fair Trade Commission said Wednesday [23 June] the recent appreciation of the Japanese yen was not sufficiently reflected in retail prices of domestic and imported products.

The commission said the report was based on a comparison of polls taken from retailers last October and a year earlier on 10 items in four categories, including confectionery, coffee, cosmetics and sports balls.

The survey showed that retail prices remained unchanged for 70 percent of chocolate items imported by importing agencies and sold at department stores, the commission said.

Retailers refrained from bringing down prices of these items because of rising advertising costs, it said.

Prices of domestically made biscuits failed to decline because of government regulations on raw materials such as wheat and sugar.

Prices declined for nearly 90 percent of imported lipstick and slightly less than 60 percent of makeup foundations which were sold at department stores.

There was no major change in retail prices of domestically made cosmetics because most of them were sold at prices recommended by manufacturers, the commission said.

The commission said it will continue to monitor price movements and warned makers and import agencies to refrain from resorting to excessive measures to regulate retail prices of their products.

U.S., Japanese Lobbies on Surplus-to-GDP Ratio Cut

OW2306133994 Tokyo KYODO in English 1058 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Business lobbies from Japan and the United States on Thursday [23 June] jointly urged that Japan's current account surplus be reduced to less than 2 percent of its gross domestic product (GDP).

The Japan Association of Corporate Executives (Keizai Doyukai) and the Committee for Economic Development (CED) also agreed on their opposition to the setting of specific targets for Japan's imports from the U.S.

However, they said such targets would be effective if used in unbinding ways to gauge the openness of the Japanese market.

In a statement that described the Japan-U.S. relationship as the most important partnership in the world, the groups called on Japan to open its market and reduce its external imbalance.

The statement said the ratio of Japan's current account surplus to its GDP should be brought down to around 2 percent in fiscal 1997 and less than that thereafter.

Japan's current account surplus accounted for more than 3 percent of the GDP in fiscal 1993 ended March 31.

The statement also requested more than 100 trillion yen be added to Japan's 430 trillion yen public works program for this decade.

Hata Urge Stimulus Measures

OW2306064894 Tokyo KYODO in English 0628 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Prime Minister Tsutomu Hata said Thursday [23 June] steady implementation of stimulus measures is needed to prevent a rapid strengthening of the yen.

The premier made the remarks at the House of Councillors Budget Committee amid recent sharp gains by the yen against the U.S. dollar.

"Enacting the national budget for the current fiscal year and promoting deregulation should stabilize foreign exchange rates," Hata said.

The 73.1 trillion yen budget for fiscal 1994 was to be approved at an upper house plenary session later in the day.

Hata also told the committee that the government is taking appropriate measures against the currency turmoil by maintaining close contact with the Group of Seven (G-7) economic powers.

MITI To Provide Relief to Small Businesses

OW2306045894 Tokyo KYODO in English 0341 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Leaders of Japanese small-business groups on Thursday [23 June] urged the government to take strong remedial measures against the unabated strength of the yen against the dollar, a Trade Ministry official said.

The latest surge of the yen is chilling the sentiment of managers at small companies at a time when the Japanese economy is showing signs of picking up, the leaders of the four groups told International Trade and Industry Minister Eijiro Hata, the official said.

The four groups, including the National Federation of Small Business Associations, made the request during a breakfast meeting with Hata and other top officials at the Ministry of International Trade and Industry (MITI).

The groups called for strong dollar-buying market intervention by Japan and other major countries as one way to help arrest the yen's upswing, the MITI official told reporters.

Hata told the business leaders he is gravely concerned about possible serious effects of the strong yen on small companies.

MITI will do its best to help small firms tide over the strong yen, Hata was quoted as saying.

Fujii Envisions Tight Budget Again Next Year

OW2306110794 Tokyo KYODO in English 1052 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Finance Minister Hirohisa Fujii said Thursday [23 June] his ministry will continue tightening its belt in forming the budget for the next fiscal year.

"It's too early to decide" on the next budget, but "we must continue promoting fiscal reforms," Fujii told a press meeting after the long-delayed budget for fiscal 1994, which started April 1, passed the Diet.

Fujii also said his ministry must avoid issuing deficit-covering bonds and should continue pursuing efficient budget allocations.

Brushing aside any intention to present new fiscal measures ahead of the July summit of the Group of Seven (G-7) leading industrialized nations in Naples, Fujii repeated that it is now "most important" to steadily implement the outlays in the budget for the 15.25 trillion yen stimulus package approved by the Diet in February.

The outlays include 5.5 trillion yen income tax cuts.

Life Insurance Group Views Government Proposal

OW1706102294 Tokyo KYODO in English 1000 GMT 17 Jun 94

[Text] Tokyo, June 17 KYODO—A top life insurance industry official Friday blasted a government report on postal insurance for proposing making postal life insurance more competitive with private-sector products.

Speaking in the capacity of chairman of the Life Insurance Association of japan, Toshiomi Uragami told reporters that the proposal runs counter to the law governing postal life insurance that limits services.

"This could help give more power to the bureaucracy," said Uragami, who is also president of Sumitomo Life Insurance Co.

The report, prepared by a study group for the Ministry of Posts and Telecommunications, says postal life insurance is serving to promote competition in the oligopolistic life insurance market.

Commenting also on a series of damage suits filed by variable life insurance policyholders against life insurance firms, Uragami said each life insurance company should have explained the feature of variable life insurance, and noted that the industry is reviewing a text on the subject for sales personnel.

Variable life insurance policies are investment-oriented policies that provide a return linked to an underlying portfolio of securities.

Variable life insurance was a big hit in the so-called bubble era in the late 1980s when a booming stock market held the promise of higher returns.

But with the stock market crumbling since, many policyholders facing huge losses have filed damages suits against life insurance firms.

Tax Commission Presents Report to Hata

OW2106143994 Tokyo KYODO in English 1419 GMT 21 Jun 94

[Text] Tokyo, June 21 KYODO—A government advisory panel issued a report Tuesday [21 June] that offered no specific figures, but broad options to enable the minority government of Prime Minister Tsutomu Hata to decide quickly on globally promised tax reform while avoiding unnecessary political disputes.

Kan Kato, chairman of the Tax Commission, handed the report to Hata, leaving sufficient time for the government and the ruling coalition parties to keep promises made in the March market-opening package.

The promises were to detail tax reform, including continuation of 5.5 trillion yen income tax cuts, now limited to the current year, by the end of this month. Enactment into law is seen by the yearend.

The report calls for a net revenue surplus to fund an expected increase in welfare spending amid a graying society in the 21st century by raising the consumption tax to more than offset "permanent" tax cuts.

On specific figures and dates, the advisory panel to the prime minister indirectly endorsed "mechanical calculations" prepared by the Finance Ministry on revenue estimates in fiscal 2001 under the proposed tax reform.

The estimates, also provided to the ruling parties, showed that only a tax increase to 7 percent or more would secure extra revenue. The figure is based on income from tax cuts worth 6.2 trillion yen and 10-to 20-year redemption for stopgap bonds for a three-year lag between the continued cuts and a tax hike in April 1997.

But the panel also offered tacit acceptance of a tax hike below 6 percent, saying that specific figures and dates rest on efforts to conduct fiscal and administrative overhauls to win taxpayers' support.

"The limit under the current fiscal condition is a rise to 7 percent, and most panel members agreed on this," Kato told a news meeting after handing over the report.

But he added a tax increase of 6 percent or less is an option if the prime minister can come up with a strong plan for fiscal and administrative reforms.

The report also notes some panel members would accept a stage plan of limiting the tax hike and leaving the issue of net revenue surplus for further discussions.

"That's why we made unusual commitments as the Tax Commission to external discussions led by the fiscal and administrative reforms," Kato said.

The report urges the government to map out "medium-term numerical targets and programs" on such reform and to review the income and consumption tax systems for more fairness.

The panel's inclination to exclude concrete figures apparently stemmed from mounting uncertainties on the political side, with the largest opposition Liberal Democratic Party poised to launch a no- confidence motion against Hata's minority government.

Moreover, the tax hike is an extremely delicate issue for the Social Democratic Party, which split from the ruling coalition in April, resulting in a minority government.

Finance Minister Hirohisa Fujii said his ministry wants the government and ruling parties to include concrete figures and dates for the tax hike and to write the reform into bills by the end of the month.

Meanwhile, the ruling coalition's tax forum issued its tax reform report, also leaving out specific figures for the cuts and hike while calling for a heavier burden on taxpayers to cope with the aging society and administrative reforms.

The forum handed the report to the coalition's policy-making group of top representatives.

As for ways to cut income taxes, both reports call for easing burdens on the medium-income brackets of 7 to 10 million yen, but differed on whether to lower the ceiling for the maximum tax rate.

As for a regional consumption tax, both reports put it aside for further talks.

Net Revenue Surplus With Tax Reform Recommended

OW2106095194 Tokyo KYODO in English 0919 GMT 21 Jun 94

[Text] Tokyo, June 21 KYODO—A government advisory panel issued a report Tuesday [21 June] calling for a net revenue surplus to fund welfare spending by hiking the consumption tax to more than offset multiyear tax cuts.

The Tax Commission, an advisory panel to the prime minister, left out specific figures which politicians will decide on later but showed implications for continuing the 6.2 trillion yen income and other tax cuts already implemented this year and raising the 3 percent consumption tax to above 6 percent in April 1997.

In the report, the panel strongly recommended the government to offer concrete promises such as "medium-term numerical targets and programs" on fiscal and administrative overhauls to win taxpayers' support.

Commission Chairman Kan Kato handed the report over to Prime Minister Tsutomu Hata, leaving sufficient time for the government and the ruling coalition parties to detail the tax reform by the end of this month and enact it into law by the year-end.

Japan promised the timetable in its March market-opening package.

But uncertainties are mounting on the political side with the largest opposition Liberal Democratic Party preparing to launch a no-confidence motion against the minority-rule coalition government.

Apparently to avoid unnecessary political disputes over the sensitive issue of raising the sales tax, the panel avoided specific figures, and it also spelled out as "minority opinions" that the tax hike be limited only to fund the tax cuts while leaving the issue of securing a revenue surplus for welfare spending toward the 21st century for further discussion.

Product Liability Bill Enacted

OW2206141494 Tokyo KYODO in English 1248 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—The House of Councillors on Wednesday [22 June] passed into law a product liability bill designed to protect consumers from accidents caused by defective products.

The law, which will go into effect next June, will be the first of its kind in Japan.

The law was passed by the powerful House of Representatives June 15.

In the course of debates in both chambers, a total of 16 appendixes were attached to the bill to ease the burden on consumers seeking compensation in proving a product is defective.

Under the present system, consumers are required to prove negligence on the part of producers.

The new law leaves the decision on whether a product is defective up to the court.

Products covered by the law include medicines such as live vaccines and blood agents.

Manufacturers must now work out new measures to cope with future legal action taken by consumers seeking damages and compensation, industry officials said.

Consumer electronics makers have moved to consolidate and realign their in-house legal and intellectual property protection departments, they said.

Similar moves will be taken by pharmaceutical makers, they said.

The officials said medium and small enterprises have held seminars to get acquainted with the new law.

MITI Minister Welcomes Product Liability Bill

OW2206110594 Tokyo KYODO in English 1044 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—International Trade and Industry Minister Eijiro Hata on Wednesday [22 June] hailed the enactment of a bill to provide consumers with greater protection against accidents and injuries caused by defective products.

"The law is in line with the economic and social reality of Japan and is also well balanced internationally," Hata said in a statement.

The product liability bill was passed into law Wednesday by the House of Councillors after the second chamber's plenary session voted unanimously in favor of the bill. The more powerful House of Representatives already passed the bill June 15.

Hata said his ministry will take adequate steps before the law goes into effect in one year, including dissemination of the law among concerned industries.

The product liability law will require consumers seeking compensation to simply prove that a product was faulty, rather than the present system whereby consumers must prove negligence by the maker.

But the law does not incorporate a provision holding makers liable for damages or injury through assumption of a link between the damage or injury and a defective product.

It took almost 20 years for the bill to be enacted since the Social Policy Council, an advisory body to the prime minister, began debate on better consumer protection from defective products in 1975.

Tokyo Cannot Call Use of Nuclear Arms Unlawful

OW2306104194 Tokyo KYODO in English 1033 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Prime Minister Tsutomu Hata said Thursday Japan cannot call the use of nuclear weapons a violation of international law, adding that doing so would risk the efficacy of nuclear deterrence. "Japan has relied on the Japan-U.S. Security Treaty. If it calls it (the use of nuclear arms) unlawful, nuclear deterrence would be rendered ineffective," the premier said.

Hata made the remarks at a House of Councillors Budget Committee session in connection with a statement Japan submitted to the International Court of Justice (ICJ) on June 10. Japan has dropped from the document a phrase saying the use of nuclear arms does not violate international law. The country had been criticized at home and abroad after reports that it would present a document including such a phrase.

In spite of the deletion, the government has not changed its opinion that the use of nuclear arms cannot be called a violation of international law since nuclear deterrence exists.

Foreign Minister Koji Kakizawa told the same session that the importance of nuclear deterrence cannot yet be denied, pointing out that China recently conducted a nuclear test.

ASDF Makes 'Debut' in Pacific Rim Exercise

OW2206024694 Tokyo KYODO in English 0206 GMT 22 Jun 94

[Text] Honolulu, June 21 KYODO—Japan's Air Self-Defense Force (ASDF) made its debut in the U.S.-led five-nation Rim of the Pacific Exercise (Rimpac) this year, sources familiar with the military drills said Tuesday [21 June].

Two ASDF officers joined the exercise to train in sea-based aerial warfare under U.S. Navy guidance, the sources said.

The large-scale joint military drills of the United States, Japan, South Korea, Canada and Australia were conducted this month in the Pacific Ocean between the Hawaiian and the Midway Islands.

More than 200 aircraft and 50 naval ships, including, for the first time, the largest Japanese destroyer Kongo equipped with the Aegis air defense system participated in the drills.

The sources said ASDF officers have never before undergone training during a Rimpac maneuver. In the framework of bilateral defense cooperation with the U.S., closer links are needed between the armies, navies and air forces to realize "the desired comprehensive joint strategy," they said.

The participation of ASDF personnel "This time was the first strategic move to realize that goal," the sources said.

The officers were acting as "ambush control officers" aboard the Kongo, guiding Japanese fighter aircraft by radar to intercept "enemy" combat planes.

Under guidance of a U.S. Navy expert, the two officers studied how to control and direct the dispatch of fighters from aircraft carriers and the launching of ship-to-air missiles, the sources said.

The Kongo, equipped with the latest radar technology, is the MSDF's most advanced combat vessel.

In the past, the training of ASDF personnel aboard U.S. aircraft equipped with the AWACS (airborne warning and control system) during joint military exercises with the U.S. has sparked protests from defenders of Japan's postwar Constitution, which bans the use or threat of force to settle international disputes.

They said such training conflicts with the widely accepted view that the Constitution rules out collective defense.

May Auto Output Marks 20th Straight Decline

OW2306110294 Tokyo KYODO in English 0735 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—Japan's automobile production in May dropped 15.3 percent from a year earlier to 734,671, marking the 20th straight year-on-year decline, an industry association said Thursday [23 June].

The Japan Automobile Manufacturers Association said passenger car output totaled 543,691, down 16.6 percent from a year earlier, posting the 14th consecutive year-on-year drop.

Production of medium-sized cars with engine displacement of more than 2000 cc was down 1.5 percent at 169,383. Small cars with engines of 661 to 2000 cc were down 24.2 percent at 319,074 and minicars with 600 cc or less were down 7.1 percent at 55,234.

Truck production marked the 34th consecutive month of decline, falling 10.9 percent to 187,535.

Bus production plunged 28.9 percent to 3,445 for the 11th consecutive year-on-year decline, the association said.

The May production of four-wheeled vehicles brought the cumulative production for the first five months of this year to 4,283,705, down 12.4 percent from a year earlier.

Motorcycle production in May dropped 17.1 percent from a year earlier to 205,451, extending its string of declines to 14 months.

Panel Seeks Reform on Electric Power Industry

OW2206085494 Tokyo KYODO in English 0715 GMT 22 Jun 94

[Text] Tokyo, June 22 KYODO—A Japanese Government panel on Wednesday [22 June] proposed easing rules and regulations as much as possible on safety and maintenance involved in electric power generation while maintaining the current security level.

The government should pursue a new security policy on electric power generation in response to the recent marked increase in safety and maintenance levels amid a rapid improvement in product quality, the Electricity Utility Industry Council, an advisory organ to the trade minister, said.

In an interim report presented to International Trade and Industry Minister Eijiro Hata, the council said the government's direct involvement in security of power generation should be reduced to a minimum necessary level.

How to maintain safety levels should thus basically be left to decision by each power supplier, with emphasis put on the principle of "self responsibility," the council said.

Government controls should be limited to prevention of pollution and other areas that affect public safety, it said.

Consumers of electricity should also share responsibility in maintaining security, the report said.

The council recommended further improvement in safety and maintenance levels through new technology development.

Standardization of power generation facilities and equipment should be promoted to upgrade overall security levels, it said.

Mongolia

Democratic Union Leader Elbegdorj Retains Post

BK2306012694 Ulaanbaatar MONTSAME in English 1128 GMT 22 Jun 94

[Text] Ulaanbaatar, June 22 (OANA-MONTSAME)—A two-day-long conference of the largest public and political organization of the Mongolian Democratic Union [name of organization as received] has been finished here and heated debates being launched but the conference has not resulted in great changes in the composition of the leadership.

Leader of the Mongolian Democratic Union has remained T. Elbegdorj who has been relieved recently of the duties of a member of the parliament according to his own request. After April's political hunger strike being arranged with the purpose of having the government (?resign) according to a number of members of the union, the prestige of the organization has undermined and there is necessity for renewing the activities of the organization. For this aim there has been set up a group for renovation of the activities of the Mongolian Democratic Union. Apparently the initiative group and its supporters failed to have T. Elbegdorj and some other members of the board having been viewed to be the major instigators of the hunger strike entailing the undermining of the authority of the Mongolian Democratic Union, replaced during the work of the conference.

MONTSAME Carries Press Review for 22 Jun

BK2306012894 Ulaanbaatar MONTSAME in English 1126 GMT 22 Jun 94

[Text] Ulaanbaatar, June 22 (OANA-MONTSAME)—The newspaper "ARDYN ERH" publishes an interview of L. Enebish, the chairman of the state organizational commission for providing preparations and celebrations of the national holiday of Mongolia—the Naadam. He noted in this respect that the present national holiday on the occasion of the anniversary of the Mongolian people's revolution is expected to be widely celebrated. The festivities regarding the Naadam holiday are starting on June 10. On Sunday on the Suhbaatar Square being the main square in the Mongolian capital will be held children's holiday and people's festivities while in the evening of that day some measures for youth including various shows are planned to be carried out as well as the salute on the occasion of the holiday would be done.

The grand opening and closing ceremonies of the Naadam festivities would be taken place for this time in accordance with the recently passed by the Mongolia parliament law on state symbolics and procedure of carrying on state ceremonies which is to be approved by the government in the next future said L. Enebish.

The newspaper informs that the spring session of the State Great Hural of Mongolia is continuing debating the draft law on land and the chairman of the Mongolian parliament N. Bagabandi has received the new leadership of the Union of Mongolian Lawyers and has exchanged opinions on issues of concern and the extended sitting of the National Security Council of Mongolia has been held.

Under the heading "Consumer's Opinion" the newspaper carries some information on positive and negative sides of the work in the sphere of trade public catering and services. For instance, there is provided some information on that the state department store in the capital has begun selling new refrigerators "Goldstar" made in the Republic of Korea at the price of 273 thousand tugrik each.

The newspaper informs that within the framework of the German organization—Association of Eastern Asia there has been created a Mongolian Committee for the purpose of rendering assistance to the promotion and furtherance of the Mongolian-German economic and trade contacts.

The newspaper publishes an article by teacher-lector at the Mongolian faculty of the Tokyo University of International Study Kazuyuki Okada containing his standpoint concerning the article by Mongolian scholar-doctor A. Nyamaa entitled "Tanaka Plan and Mongolia" which was published in one of March's issues of the free newspaper "IL TOVCHOO".

The newspaper "BODLYN SOLBITSOL" provides some materials referring to the economic crisis in the country and difficulties being experienced by the toilers of the countryside under the present conditions of transition of the country to a market economy.

The newspaper also gives the travel notes by P. Batdzorig one of the three Mongolians making trip on foot up to Seattle, USA.

The newspaper provides an article by (?lector) of the Technical University Professor D. Badarch devoted to the issues of renewal of Mongolian education. Everything has its own basis. In this respect the source of the development for our country is education, he said in his article.

The newspaper also gives excerpts from the book by journalist B. Rabdan relating to the eminent representative of the contemporary theatre of Mongolia, honoured artist and State Prize winner of Mongolia now the deceased Lamjabyn Bangan.

The capital newspaper "ULAANBAATAR" informs that in the current year over ten thousand children were 8th-grade leavers whereas the 10th leavers account for about 5453 boys and girls.

About 60 percent of the former are likely to be continuing their lessons in ninth grades. As for the latter each of the leavers of the secondary schools is provided with proper possibilities for taking entrance examinations to any higher educational establishment of the country.

The editorial of the newspaper is touching upon the issues of efficient application of foreign assistance and credits and provision of the population of the Ulaanbaatar city with necessary food and essential goods.

North Korea

Paper on Reasons for Withdrawal From IAEA

SK2306103994 Pyongyang KCNA in English 1032 GMT 23 Jun 94

["Who Can Trust IAEA?"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—The withdrawal of the Democratic People's Republic of Korea from the International Atomic Energy Agency (IAEA) is entirely attributable to the unfair and insolent acts of the IAEA Secretariat, declares NODONG SINMUN in an article today. It notes that the IAEA has left a disgraceful stain on its name by launching an anti-DPRK campaign, contrary to its competence and mission.

The article entitled "Indelible Stain and Disgrace" cites facts to prove that some officials of the IAEA Secretariat took a threatening posture from the very beginning in a bid to overwhelm the DPRK and stubbornly demanded an unreasonable "special inspection" and worked for an international "pressure and sanctions", serving specific forces as their spy.

It says:

The IAEA made six ad hoc inspections of the DPRK from May 1992 to early February 1993.

At the time of the fourth ad hoc inspection in November 1992 some officials of the IAEA Secretariat urged the DPRK to "declare more" of the inventory of nuclear material, threatening that "it is the last chance of correcting the initial inventory", "if the chance were missed, tragic consequences would follow."

They behaved very insolently during the inspections, threatening the DPRK over the "principal inconsistency" even before hearing a scientific explanation from experts.

All this tells that they have sought from the very beginning to overpower the DPRK with a threatening attitude.

Some officials of the IAEA Secretariat also served specific forces as their spy.

The IAEA Secretariat, complying with the demand of specific forces, tried to send as its inspectors those whom we considered as personae non gratae. The agency's inspectors in the DPRK also acted on orders from those behind the scene, making inquiries into this or that in an effort to pry out secrets.

All the more exasperating was that they handed inspection results over to the United States, South Korea and others in violation of Article 5 of the safeguards agreement that provides for protection of the data obtained in inspections.

This was a grave encroachment upon the interests of the DPRK.

IAEA's inspections of the DPRK are characterized from a to z by partiality.

On December 22, 1992, the IAEA general director requested being allowed to "revisit" some military sites. The DPRK was not obligated to show them the sites and facilities which were no more objects of safeguards, but showed them, taking various aspects into consideration. Nevertheless, some dishonest officials worked hard to attain their sinister aim by abusing the sincere cooperation offered by the DPRK.

The DPRK rejected it decisively.

On February 25, the IAEA general director convened a meeting of the IAEA Board of Governors, which adopted a "resolution on special inspection" of ordinary military sites of the DPRK. This was something unprecedented in the history of inspections by the agency.

And the IAEA Board of Governors adopted an unjustifiable "resolution" against the DPRK on June 10 when reactor core refueling was under way at the DPRK's five megawatt experimental atomic power plant.

The dishonest officials of the IAEA Secretariat took the DPRK's "nuclear issue" even to the United Nations in an effort to gratify their wicked aim by "internationalizing" it and imposing collective "pressure and sanctions" on the DPRK.

The IAEA Board of Governors last year adopted one "resolution" after another to transfer the DPRK's "nuclear issue" to the UN and submitted even "an annual report" to the UN General Assembly. They went the length of faking a "letter" of the UN secretary-general.

Who can trust the IAEA which is behaving like this?

We will never tolerate any act of infringing upon our national sovereignty and supreme interests of our country.

The IAEA must know clearly that whatever intrigue it may hatch up to stifle the DPRK, it will only bring a stain and disgrace to itself.

Namchongnyon Protests Reported in ROK

SK2206055294 Pyongyang KCNA in English 0439 GMT 22 Jun 94

["S. Korean Students Slam Campus Suppression"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—About 200 students of Chonnam National University of South Korea formed an Emergency Measure Committee to denounce the search of campuses and defend the Kwangju-South Cholla Provincial Federation of General Student Councils (Namchongnyon) on June 19 before launching an all-night sit-in strike, a radio report from Seoul said.

The students strongly denounced the puppet authorities for hurling police into their university, walking away students and perpetrating search and confiscation for the mere reason that students in this area went to Seoul to participate in a people's rally to check the "parliamentary endorsement of the Uruguay Round accord" and held protests.

The students pointed out that the puppet authorities' suppression is aimed at disuniting the Namchongnyon, and demanded an immediate release of their fellow students.

ROK Military 'Provocations' in DMZ Denounced

SK2306111694 Pyongyang KCNA in English 1043 GMT 23 Jun 94

["South Korean Bellicose Elements Perpetrate Military Provocations"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—The South Korean bellicose elements perpetrated military provocations again in the Demilitarized Zone (DMZ), military sources said.

They illegally introduced recoilless guns into the southern portion of the DMZ in the central sector of the front from June 20 to 22.

They also brought by stealth large-caliber machine guns into the MP [military police] posts in the central sector of the front and in the eastern sector of the front.

On June 22, they brought 25 vehicles and 500 armed personnel into the southern portion of the DMZ to build military setups.

If the South Korean bellicose elements continue aggravating the tensions in the DMZ despite our repeated warnings, they will have to bear full responsibility for all consequences arising therefrom.

CPRF Denounces ROK Nuclear Arms Development

SK2306113794 Pyongyang KCNA in English 1101 GMT 23 Jun 94

["CPRF on S. Korea's Nuke Development"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—The Committee for the Peaceful Reunification of the Fatherland [CPRF] called a press conference for domestic and foreign reporters here today and published a memorandum on the promotion of nuclear arms development in a planned way in South Korea and systematic abrogation of the North-South joint declaration on denuclearization.

The memorandum says:

The North and the South of Korea, in the joint declaration on denuclearization, solemnly declared at home and to the world that they would use nuclear energy only for a peaceful purpose and not possess nuclear reprocessing and uranium-enriching facilities. But South Korea, contrary to the declaration, has extracted plutonium in secrecy with disguised nuclear reprocessing facilities and purchased nuclear material from third countries and systematically diverted it to nuclear arms development. Worse still, it is now openly claiming that the joint declaration on denuclearization signed between the North and the South has become invalid in actuality.

The memorandum further says:

Though South Korea is disguising the post-irradiation test facilities in the Taedok complex as peaceful atomic facilities, all the data available prove that they are reprocessing facilities.

South Korea, regarding the introduction of reprocessing facilities as "one of the two main axes" of the strategy of nuclear bomb development, concluded a contract on technical services and supply for the building of reprocessing facilities with the S.J.N. Company of France in the 1970s. When the contract got infeasible, the "Fifth Republic" introduced post-irradiation test facilities from the company under the crafty cloak of "chemical treatment substitution program." They completed the building of the facilities in November 1985 and put them into full-dressed operation in 1987.

The post-irradiation test facilities are, to all intents and purposes, reprocessing facilities equipped with the structure and processes necessary for the extraction of plutonium, that is, facilities designed to put spent fuel strong in radioactivity into the shields, transport, dissolve and cut it by remote control and analyze and separate it.

The South Korean authorities, in league with the International Atomic Energy Agency [IAEA], have systematically reprocessed at the post-irradiation test facilities insufficiently spent fuel discharged from the pressurized heavy water reactor and the multi-purpose research reactor and extracted a large amount of plutonium every year. According to preliminary data, the total quantity of extracted plutonium amounts to 50 kilograms. Nevertheless, the IAEA has closed its eyes to the post-irradiation test facilities of South Korea, while making a case of our radiochemical laboratory which is peaceful nuclear facilities.

South Korea has also imported in secrecy plutonium necessary for nuclear arms development from long ago.

No sooner had the chief executive of the "Sixth Republic" issued "declaration on the denuclearisation of the Korean peninsula and building of peace" on November 8, 1991 than he concluded a "joint agreement on reprocessing" with the United Kingdom and allowed a special office of the UK to be set up in Seoul. The "agreement" stipulates that spent nuclear fuel discharged from atomic reactors of South Korea should be transferred to reprocessing plants of the UK to extract plutonium, which should be carried back to South Korea.

Under this "agreement," South Korea is shipping in [word indistinct] dioxide of plutonium and uranium.

Foreign media express strong concern over this move of South Korea, saying it is evident that South Korea is going to follow in the footsteps of Japan which intends to stockpile as much as 84 tons of plutonium by 2010.

South Korea is trying to legitimize and enlarge the introduction of plutonium from abroad.

The South Korean authorities began to promote the development of a fast breeder reactor entering the 1980s and recently chose a remodeled light water reactor and announced that they would complete the designing by 2001 and put it into operation by 2007.

By the development of "a remodeled light water reactor using plutonium as nuclear fuel" they mean to continue to produce and introduce a large amount of plutonium by diverting world public attention elsewhere.

They have also laid artificial hurdles in the way of implementing "joint declaration on the denuclearisation of the Korean peninsula" which the North and the South adopted and effectuated reflecting the unanimous desire and will of the entire fellow countrymen.

Especially, the present South Korean authorities have worked in a planned and systematic way to destroy it. They first argued for "nullification in principle" of the joint declaration on the denuclearisation over the "nuclear issue" of the North and then asserted that it was "abrogated in fact" and at last declared it "practically null and void," reducing it to a mere sheet of paper.

The South Korean authorities are calling for "nuclear sovereignty" and "counterdevelopment of nuclear weapons" and resorting to despicable acts to conceal the reality of their nuclear armament.

The South Korean authorities must open to the public the amount of plutonium they have illegally secured and immediately shut down the post-irradiation test facilities, that is, reprocessing facilities.

The memorandum strongly protests with the IAEA against its application of a double standard.

Expectation for Talks With U.S. Confirmed

SK2306105094 Pyongyang KCNA in English 1041 GMT 23 Jun 94

["Third-Round DPRK-USA Talks To Be Held in Early July"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—A spokesman for the DPRK Foreign Ministry answered a question put by KCNA today regarding the third round of DPRK-U.S. talks expected to be held.

He said:

Some time ago, the great leader Comrade Kim Il-song received former U.S. President Mr. Jimmy Carter and had a sincere talk with him for hours over matters of common concern.

He told Mr. Carter that the key to a solution of the nuclear issue was to build confidence between the DPRK and the United States. And he made an important proposal to break the present deadlock between the DPRK and the United States and reach a fundamental solution of the nuclear issue.

On this basis, a series of working contacts were made between the DPRK and the U.S. recently to hold the third round of talks.

Robert Gallucci, head of the U.S. side's delegation to the DPRK-U.S. talks, in a letter to his counterpart of our side June 20 confirmed the question of laying a groundwork for the talks and proposed to hold the third-round talks to discuss the guarantee of security and overall political and economic issues between the DPRK and the United States.

The head of our side in his reply letter June 22 confirmed well-intentioned measures to be taken by us for the third-round talks and agreed to the U.S. side's proposal.

In the letter we emphasized our stand that "sanctions" and dialogue are incompatible.

On June 22, U.S. President Bill Clinton expressed welcome toward our stand and said the discussion of "sanctions" against us at the UN Security Council would be withdrawn formally and they would come out to the third-round talks.

The third-round DPRK-U.S. talks are expected to be held in Geneva in the first week of July.

We expect that the third-round talks will be held on a fair and equal basis so that a substantial agreement may be reached for a fundamental solution of the nuclear issue and for the improvement of relations between the DPRK and the United States as a whole.

U.S. 'New War Provocation Maneuver' Denounced

SK2306100094 Pyongyang Korean Central Broadcasting Network in Korean 2220 GMT 22 Jun 94

[Commentary by Yun Pyong-son: "The New War Provocation Maneuver That Has Reached a Grave Stage"]

[Text] According to reports, U.S. nuclear submarines have been strengthening espionage activities near our country's coast. The U.S. nuclear submarines are frantically engaged in espionage on us by frequently going in and out of the White Beach base of the U.S. Navy in Okinawa, its Sasebo base in Nagasaki Prefecture, and the Yokosuka port of Japan.

Foreign media reported that the U.S. nuclear submarines, which are navigating along the shores of our county, specialize in collecting information about the communications network of our Armed Forces and eavesdropping on radio communications. This is an extremely dangerous military move.

As everyone knows, the United States has persistently carried out espionage against for a long time. Reconnaissance satellites and planes were the major means of their espionage in the past, but they are now mobilizing nuclear submarines as an additional means.

This clearly proves that U.S. espionage against us has become more active and the scale of its activities has been extraordinarily extended. It also hints that the U.S. new war provocation maneuver against us has reached a very grave stage.

The United States has systemically extended and strengthened its military threat and pressure against us in the past by using the nuclear suspicion of us as a pretext. The United States has recently deployed Patriot missiles and Apache attack helicopters to South Korea, despite the world's strong protest and denunciation; strengthened U.S.-Japanese-South Korean military conspiracy and collusion against us; and carried out various war exercises, including the Rimpac war exercise.

Meanwhile, U.S. hard-liners, conservatives, and bellicose military circles have been strengthening adventurous military maneuvers, openly talking about military measures, under the pretext of the so-called nuclear suspicion about us.

As has been reported, U.S. Secretary of Defense William Perry ordered the aircraft carrier Independence to remain in waters where it can intercede in a war on the Korean peninsula. In addition, the U.S. Department of Defense has increased special strike armed forces—including squadrons of aircraft carriers, tactic planes, and B-52 strategic fighter-bombers—in South Korea and in the region around it in preparation for a possible war on the Korean peninsula. It also ordered U.S. tactical plane squadrons in Germany and Alaska to assume a stand-by posture so they can immediately arrive at the Korean peninsula at any time.

These military maneuvers by the U.S. warmongers and their frenzied espionage against us by mobilizing even nuclear submarines, proves, leaving no room for controversy, that they have intentionally accelerated a new war provocation maneuver to crush us by using the suspicion of our nonexistent nuclear development as a pretext.

The current situation on the Korean peninsula is entering a very dangerous phase and a breaking point because of the U.S. adventurous war maneuvers.

The United States should contemplate the grave consequences that will result from its worthless new war provocation maneuver.

We are not afraid of any pressure or military adventure by the United States. As we declared on many occasions, we are ready for both dialogue and war. If the United States continues to adhere to its adventurous military maneuvers and seeks to provoke a new war on the Korean peninsula, in spite of our repeated warnings, that will bring it ruin far more miserable than the Korean war did.

Our people value peace, but do not beg for it in return for having the country's sovereignty and the national dignity be infringed upon. If the United States conducts a military adventure to crush us under the pretext of the nuclear issue, our people, who regard independence as their lives, will sternly counter it and give it a due punishment.

U.S. 'Hard-Line Conservative Forces' Denounced

SK2306091694 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 22 Jun 94

[Text] According to news reports, U.S. hard-line conservative forces have recently continued to wage an undisguised war frenzy against our Republic.

According to a Voice of America report on 20 June, two U.S. senators, including Senator McCain, gave a news conference after their junket to South Korea, and advocated imposing tough sanctions against us and reinforcing U.S. forces in South Korea. They even made provocative, violent remarks, in an undisguised way, insisting that the United States launch a selective military strike against us.

Prior to this, in a television interview, Representative Hamilton, chairman of the U.S. House Foreign Affairs Committee, remarked that there is a limit to U.S. patience. He said emphatically: It is necessary to complete the

(?threat) potential of the ROK and U.S. Armed Forces and to make the intensification of sanctions a way to solve the issue on a priority basis.

In recent days, a spokesman for the U.S. Defense Department has found fault with us by saying that our measure of withdrawing from the International Atomic Energy Agency is making the situation more dangerous. He made an undisguised remark to rapidly reinforce U.S. Armed Forces in South Korea and additionally deploy U.S. military airplanes and an aircraft carrier to the area near the Korean peninsula.

THE WASHINGTON TIMES, a U.S. newspaper, has reported that the U.S. Defense Department has recently made an in-depth examination of ways to conduct a rapid dispatch of U.S. troops and U.S. fighter planes and a further dispatch of artillery detection radar, while additionally dispatching military intelligence experts to South Korea.

According to THE WALL STREET JOURNAL, a U.S. newspaper, U.S. Assistant Secretary of Defense Ashton has made it public that the United States is further reinforcing U.S. forces in South Korea with modern weapons and combat equipment.

Thai Legislative Delegation, Speaker Arrive

SK2106235594 Pyongyang KCNA in English 1525 GMT 21 Jun 94

[Text] Pyongyang, June 21 (KCNA)— Delegation of the upper house of the Kingdom of Thailand arrived here today on a visit to the DPRK upon the invitation of the Supreme People's Assembly.

The delegation is led by speaker of the upper house Meechai Ruchipan.

The delegation was met at the airport by chairman of the Supreme People's Assembly Yang Hyong-sop and officials concerned.

Meet With SPA Chairman 21 Jun

SK2206053194 Pyongyang KCNA in English 0414 GMT 22 Jun 94

[Text] Pyongyang, June 22 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly [SPA], Tuesday met and conversed in a friendly atmosphere with the delegation of the Upper House of the Kingdom of Thailand headed by speaker of the Upper House Meechai Ruchupan, which paid a courtesy call on him.

Present there were Vice-chairman of the SPA Paek In-chun and a minister of Thai Embassy in Pyongyang.

Japanese, U.S. Military 'Tieup' Denounced

SK2306101094 Pyongyang KCNA in English 1002 GMT 23 Jun 94

["Acts of Aggravating Northeast Asian Situation"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—MINJU CHOSON today comments on the tightened tieup between Japan and the United States.

Recalling that U.S. Forces are planning to stage a joint commanding exercise with the "Self-Defence" Airforce of Japan at the airforce base in Florida, the analyst says: All the military moves are grave acts of carrying the situation of the Northeast Asian region including the Korean peninsula to the extreme pitch of strain.

The analyst notes:

It must not go unnoticed that the military collusion between Japan and the United States is being tightened when the United States and its followers are intensifying as never before their hostile moves to stifle the DPRK over its "nuclear issue".

The United States is advertising that the survey and selection of the bases of the Japanese "Self-Defence Forces" were "merely selection of shelters." But, in actuality, it is related to the preparations for a new war in Korea.

As everyone knows, the United States is massing its forces around the Korean peninsula, and Japan is frequently staging joint military exercises with the United States. These are very dangerous acts driving the situation in the Northeast Asian region to the brink of war.

The Korean people and other Northeast Asian peoples will not remain an onlooker to the acts of the United States and Japan aggravating the situation in this region.

The U.S. and Japanese authorities must renounce their military collusion and wild ambition for domination of Asia, as demanded by the Asian people.

U.S. Military Activities in Japan Condemned

SK2306081894 Pyongyang Korean Central Broadcasting Network in Korean 1220 GMT 21 Jun 94

[Commentary by Yun Pyong-son: "Ill-Boding Military Movements"]

[Text] The situation on the Korean peninsula has been further aggravated due to the maneuvers by the U.S. imperialists and the South Korean puppets to crush [apsal] the Republic. At such a time, very ill-boding [simsangchi annun] military activities have taken place at U.S. military bases in Yokosuka, Iwakuni, Sasebo, Okinawa, and other places in Japan.

U.S. warships have frequently entered and left the Yokosuka base, the sortie base of the 7th U.S. Fleet. The large destroyer (Pipe) sailed into port, and the fleet's flagship, Blue Ridge, followed suit on the morning of 17 June. The missile cruiser Mobile Bay and four other U.S. warships are now anchored at this base. The aircraft carrier Independence, which participated in the Rimpac-94 joint military exercise, will reportedly return there.

A U.S. Marine ammunition transport ship recently harbored at this base and for two days unloaded a large amount of ammunition for the (Urago) ammunition repository.

In the meantime, U.S. military planes from the Iwakuni base, a U.S. Marine air base, busily conducted an exercise; and more and more nuclear-powered submarines, ammunition transport ships, and refueling ships entered the Sasebo base.

Also, U.S. Marines frantically conducted a special operations exercise at bases on Okinawa. They reportedly conducted this exercise while simulating the imposition of sanctions on our country, the use of armed forces against our country, and the turning of Okinawa into a battlefield.

These busy movements at the U.S. bases in Japan are phenomena that can only be seen on the eve of a war and clearly show how frantically the U.S. imperialists are running amok to provoke a second Korean war.

The U.S. imperialists are running amok while talking about sanctions or use of military force under the pretext of the so-called nuclear issue. It has been clearly revealed, however, that the nuclear issue is a byproduct of their anti-Republic and antisocialist maneuvers and a falsehood that they fabricated to crush [apsal] our Republic.

The Japanese prime minister recently stated in a speech that he thought North Korea [pukchoson] did not have a nuclear weapon and had no intention of making one. In this way, he admitted that the nuclear commotions so far were groundless.

Nevertheless, the U.S. imperialists placed the U.S. Forces in South Korea and the puppet forces on combat alert and are kicking up war commotions in U.S. bases in Japan at an unprecedented scale under the pretext of the nuclear issue. What is the reason?

This is related to their attempt to use Japan, which has been turned into their aggressive military base, to carry out a war of northward invasion in case they provoke such a war. In other words, they attempt to use Japan as a base for operations, supplies, and repairs in waging a Korean war. We can also say this is related to the fact that the U.S. imperialists secretly inspected bases of the Japanese Maritime Self-Defense Force and bases of the Air Self-Defense Force in Chitose, Misawa, and Matsushima.

A Japanese newspaper disclosed that this is intended to (?occupy) rear-area bases in an emergency on the Korean peninsula. This disclosure is not accidental. It is a well-known fact that during the Korean war, the U.S. imperialists used Japan as their sortie base and supply and repair base.

The U.S. imperialists even now attempt to invade the northern half of the Republic and realize their policy toward Korea and Asia by using Japan, geographically close to the Korean peninsula. However, this is a foolish dream. Japan is not far from the Korean peninsula. If the situation is aggravated on the Korean peninsula and if, as a result, a war breaks out there, Japan, which has turned into a U.S. military base, will never be safe.

We do not want war. However, we are not afraid of it.

We will in no way forgive those who attempt to provoke [konduriryonun] the socialist system, which is our life, and deal a retaliatory blow 1,000-fold or 100-fold.

The Japanese people have expressed their indignation over the imperialists' maneuvers to envelope Japan in flames of war and are waging a vigorous antiwar struggle.

The U.S. imperialists must clearly see the people's aspirations and demands and act with discretion.

Japanese Remarks on Past Nuclear Activities Noted

SK2306102094 Pyongyang KCNA in English 1007 GMT 23 Jun 94

["Bad Habit of Finding Fault With Others Must Be Discarded"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—The Japanese reactionaries are alleging that there is a possibility for the DPRK "to develop nuclear weapons in the future" and the South Korean puppets are blabbing that the North "will stockpile 200 kg of plutonium every year" in the future and "export nuclear weapons", making a fuss over its "nuclear issue".

Commenting on this, a NODONG SINMUN analyst today says: To call in question the past of the DPRK's nuclear activities is a deliberate move of those who dislike a smooth solution to the nuclear issue to complicate the situation.

For the Japanese reactionaries and the South Korean puppets to make much ado about the fictitious "nuclear issue" of the DPRK is a sinister act to lay an obstacle in the way of a smooth solution to the nuclear issue between the DPRK and the United States and deliberately aggravate the situation on the Korean peninsula. Lurking behind it is the intention to divert elsewhere the cautious eyes and criticism of the world directed to them, accelerate nuclear arms development by gaining time and justify their nuclear armament.

In actuality, the nuclear armament of Japan has reached the danger line. The South Korean puppets also have long since been stockpiling plutonium and stepping up the development of nuclear weapons.

The Japanese reactionaries and the South Korean puppets are raising a futile row over the DPRK's "nuclear issue", afraid that they shall lose the pretext for their nuclear armament, if the nuclear issue on the Korean peninsula is fundamentally solved through dialogue.

They must renounce the bad habit of finding fault with others, give up the nuclear design and stop the futile act of putting a spoke in the wheel of a fundamental solution to the nuclear issue on the Korean peninsula.

Arrival of Chinese Military Delegation Reported

SK2106234894 Pyongyang KCNA in English 1521 GMT 21 Jun 94

[Text] Pyongyang, June 21 (KCNA)—A friendship visiting group of the Chinese People's Liberation Army (CPLA) led by General Wang Ke, commander of the Shenyang military area command of the CPLA, and a delegation of the Czechy-Morava Communist Party led by Vratislav Nomak, secretary of the central committee of the party, arrived here today.

Army Chief Meets With Delegates

SK2206155294 Pyongyang KCNA in English 1535 GMT 22 Jun 94

[Text] Pyongyang, June 22 (KCNA)—Choe Kwang, chief of the General Staff of the Korean People's Army [KPA], met and had a friendly talk with the friendship visiting group of the Chinese People's Liberation Army [CPLA] led by General Wang Ke, commander of the Shenyang Military Area Command of the CPLA, when it paid him a courtesy call today.

Present on the occasion were general of the KPA Yi Chong-san and Chinese Ambassador to Korea Qiao Zonghuai.

Envoy Pays Farewell Call on Egyptian Leader

SK2006111294 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Jun 94

[Text] Kim Yong-sop, ambassador of our country, on 14 June paid a farewell call on Yusuf Amin Wali, general secretary of the Egypt National Democratic Party.

At the meeting, the general secretary expressed satisfaction with the fact that friendly relations between the Egypt National Democratic Party and the Workers Party of Korea and between Egypt and DPRK are developing well.

He stressed that the independent policies implemented by His Excellency respected leader Kim Il-song and His Excellency dear leader Kim Chong-il are making the image of the DPRK brighter.

He said he hopes that all problems, including the nuclear issue on the Korean peninsula, will be peacefully resolved through dialogue between the DPRK and the United States.

Bangladesh Party Delegation Arrives 21 Jun

SK2106235294 Pyongyang KCNA in English 1524 GMT 21 Jun 94

[Text] Pyongyang, June 21 (KCNA)—A delegation of the Bangladesh National Socialist Party led by General Secretary Hasanul Huq Inu arrived here today.

It was met at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK], and Kim Yang-kon, a vice department director of the WPK Central Committee.

Kim Il-song Tome on Reunification Commemorated

SK2306045594 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 22 Jun 94

[Text] A Pyongyang report meeting to mark the 21st anniversary of the publication of "Let Us Prevent a National Partition and Reunify the Country," a historic work of Comrade Kim Il-song, the great leader of our party and our people, was held in the People's Hall of Culture on the afternoon of 22 June.

Portraits of the great leader Comrade Kim Il-song and of dear leader Comrade Kim Chong-il were respectfully placed in the front of the hall.

Slogans reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea [WPK]!" were hung in the hall.

The meeting was attended by Comrade Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Yang Hyong-sop, alternate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly [SPA]; Chang Chol, vice premier of the Administration Council and minister of culture and art; Yu Mi-yong, chairman of the Central Committee of Chondoist Chongu Party; Kang Hyon-su, responsible secretary of Pyongyang municipal party and chairman of the Pyongyang Municipal People's Committee; Yom Tae-chun, chairman of the Central Committee of the Democratic Front for the Reunification of the Fatherland [DFRF]; responsible functionaries from public organizations and personages concerned; functionaries from central organizations and workers from all walks of life in the city.

The meeting began with the playing of the national anthem.

Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF], made a commemorative speech.

[Begin Paek recording] Comrades, today our people across the country are fully demonstrating chuche Korea's dignity and grand appearance by resolutely smashing antisocialist and anti-Republic maneuvers of the imperialists and international reactionaries with singlehearted unity with the party and the leader [suryong]. The ardent wish to achieve the reunification in the nineties with great national unity has been increasing with each passing day among fellow countrymen at home and abroad. Under this heartwarming circumstance, we are significantly marking the 21st anniversary of the publication of "Let Us Prevent a National Partition and Reunify the Country", an immortal work of the respected leader Comrade Kim Il-song.

On this historic occasion, our people are recalling with deep emotion justness and invincible vitality of the five-point policies for national reunification put forward by the great leader Comrade Kim Il-song, the sun of the nation and lodestar of national reunification. We are filled with a firm resolution to break through difficulties laid in the way of reunification with the strength of national unity and to achieve the independent and peaceful reunification of the fatherland by all means.

The great leader's immortal work, "Let Us Prevent a National Partition and Reunify the Country", was published at a very grave time when confrontation between the lines of reunification and division was aggravated to an extreme pitch in our country owing to two Koreas policy of separatist forces at home and abroad and when the new danger of a permanent division was being created before the nation.

As everyone knows, a dialogue between the North and the South was provided for the first time according to the policy for broad-range North-South negotiation elucidated by the great leader in his speech on 6 August 1971, and the 4 July joint statement, which assumed the principles of independence, peace and great national unity as its basic content, was published. Since that time, the spirit for national reunification has rapidly been enhanced among the South Korean people, together with all the Korean people, and the anticommunist confrontation line has begun to be shaken to its roots in South Korea.

Embarrassed by this, the South Korean ruling bunch openly infringed upon the three principles for national reunification, which it pledged before the nation, at the instigation of outside forces, and fabricated the fascist Yusin system. In addition, the South Korean ruling bunch intensified North-South confrontation and advanced along the road of betrayal to pursue permanent division. Finally, on 23 June 1973, the South Korean ruling bunch went so far as to publish a special statement announcing the creation of two Koreas as its policy.

The situation that prevailed at that time urgently demanded that active measures be worked out to prevent the danger of permanent division impending before the nation and to open the path for national reunification.

On 23 June 1973, immediately after the South Korean ruling bunch published a special statement, the great leader Comrade Kim Il-song put forth the five-point policy of national reunification as a revolutionary measure decisively to smash the permanent nation-splitting moves of the U.S. imperialists and their stooges and open an epochal phase of national reunification.

The great leader Comrade Kim Il-song has taught: Our proposal is to remove military confrontation and ease tension between the North and the South, bring about multilateral collaboration and interchange between the two parts, convene the great national congress composed of representatives of people of all levels and political parties and social organizations in the North and the South, institute the North-South confederation under the single name of the Confederal Republic of Koryo and enter the United Nations under that name. When this proposal for the country's reunification is put into effect, a great turning point will be brought about in accomplishing the historic cause of peaceful national reunification based on the principle of the North-South joint statement, as commonly desired by our people and the world's people.

The five-point policy of national reunification laid down by the great leader was a patriotic reunification formula most correctly reflecting the unanimous aspirations and will of all the fellow countrymen who desired a peaceful reunification of the country and opposed a permanent division of the nation, and an immortal militant banner which set forth a broad vista and the way of national reunification and vigorously inspired all the people to the struggle to realize it. [applause]

The policy for removing military confrontation and easing tension set forth by the great leader in his five-point policy for national reunification is a just policy which gave a clear answer to the most urgent and important question for removing misunderstanding and distrust between the North and the South, for achieving national reconciliation, and for achieving the nation's peaceful reunification. The proposal for realizing multilateral collaboration and interchange between the North and the South is a most reasonable plan enabling us to promote the unified development of the nation by linking severed ties of the nation.

The proposal for convening the great national congress composed of representatives of people of all levels and political parties and social organizations between the North and the South, which the great leader put forward in his five-point policy for national reunification, is a chuche-oriented reunification policy which enables us to resolve the issue of national reunification in compliance with the will and demand of the nation through the nation's own strength by making the people from all walks of life in the North and the South broadly participate in accomplishing the cause of national reunification.

In particular, the proposal for instituting the North-South confederation under the single name set forth by the great leader is a unique method for achieving national reunification most promptly and most reasonably without giving any disadvantage to either the North or the South under the condition in which different ideas and systems exist in the North and the South of our country. This proposal clearly reflects the consistent patriotic position of our party and the government of the Republic to achieve national reunification at an early date by ending confrontation between fellow countrymen and the division at any cost, based on the national unity between the North and the South.

The five-point policy for national reunification put forward by the great leader is a most reasonable and realistic reunification policy that can be accepted by all the people who love the nation, and by the people who want national reunification, because of its thoroughgoing patriotic position, justness, and fairness that are reflected in all articles and clauses.

The three principles of national reunification—the great common reunification program of the nation—are comprehensively embodied in the five-point policy of national reunification. The basic spirit contained in these principles is the firm reunification will and patriotic ideal to achieve the reunification into one Korea by opposing division.

The five-point policy of national reunification also contains concrete measures and methods for expediting the independent and peaceful reunification of the fatherland by preventing the nation's permanent division. The five-point policy is a declaration of one Korea that opened a bright future for resolving the reunification issue by giving a hard blow to the two-Koreas moves of the splittists at home and abroad, and is a great programmatic guideline of national reunification that intensively reflected the aspiration of the entire nation to reunification.

Indeed, the five-point policy for national reunification is an immortal reunification program which can be put forward only by the respected and beloved leader Comrade Kim Il-song, the peerless patriot, the sun of the nation, and the lodestar of national reunification, who has devoted his whole life to achieving the country's independence and the nation's grandeur and prosperity since he embarked on the road of revolution, taking upon himself the destiny of the country and the nation, and who is leading all of the people to the single road of national reunification, while feeling grieved over the nation's division more than anyone else. [applause]

Comrade Kim Chong-il, the dear leader of our party and people, who has been carrying out great exploits for the cause of our revolution and the cause of national reunification, has wisely led the struggle to realize the five-point policy for national reunification put forward by the great leader. The dear comrade leader has not only vigorously pushed ahead with the work to explain and propagate the five-point policy for national reunification at home and abroad, but has also taken various epochal measures to realize this new peaceful reunification policy.

The 59th expanded meeting of the Central Committee of the Democratic Front for the Reunification of the Fatherland, convened in accordance with the dear comrade leader's plan discussed the matter on convening a great national conference to be participated in by representatives of political parties and social organizations and representatives of all strata in the North, the South, and overseas and proposed, in the name of the political parties and social organization in the North, to the people of all strata, political parties, and social organizations in South Korea the convocation of a great national conference to consult and solve the question of national reunification, the utmost desire of the nation.

Under the wise leadership of the dear comrade leader our party and the Government of the Republic vigorously struggled to thoroughly implement the five-point policy for national reunification and to open a new phase of national reunification with the independent strength of the nation. Thanks to the dear comrade leader's wise leadership in the struggle to implement the five-point policy for national reunification it was possible to impose big blows on the maneuvers for a permament division of the nation by splittists at home and abroad and to vigorously encourage and inspire the compatriots at home and abroad into the accomplishment of the cause of national reunification.

At this significant meeting which marks the 21st anniversary of the publication of the great leader's historic speech, "Let us prevent national division and reunify the country," I respectfully extend utmost honor and warmest gratitude, along with the infinite reverence and burning loyalty of all of the Korean people, to the respected and beloved leader Comrade Kim Il-song, the sun of the nation and the lodestar of national reunification, who is brilliantly elucidating the road ahead for national reunification with the rays of chuche, leading our people to the single road of victory and glory. [applause] [end recording]

The reporter said that the past 20-odd years from the time when the great leader Comrade Kim Il-song declared the five-point policy for national reunification up to now were the 20-odd years of serious confrontation between the reunification forces and the splittist forces and the days of struggle during which the whole nation vigorously fought to repel the splittists' challenges and to achieve the cause of national reunification and revealed the criminal maneuvers of the U.S. imperialists, the South Korean puppets, and the Japanese reactionaries to block our national reunification.

The reporter then said that the imperialist reactionaries who have forced the untold sufferings of division and misfortune upon our nation for a long time and are perpetrating the maneuvers to crush [apsal] the Republic under the pretext of our nonexistent nuclear issue, and the flunkeyist nation-sellers in South Korea who have followed the imperialist reactionaries, will not be able to escape the condemnation of all of the Korean people and continued:

[Begin recording] Comrades: It is not allowable for our nation, who has been forced to endure the sufferings of division caused by outside forces for nearly half a century, to live in uneasiness, failing to achieve unity and reunification until today, exposed to the danger of an unpredictable nuclear war on top of the tragedy of national division. We should put an end to the division of the nation with the nation's united strength and achieve the country's reunification.

The great leader Comrade Kim Il-song has taught: Reunifying the country by ending the history of division and confrontation for nearly half a century is the unanimous demand and will of the entire nation. To achieve the independent and peaceful reunification of the country it is imperative to achieve the great unity of the entire nation.

Today, all of the Korean people in the North, the South, and overseas are faced with the heavy but honorable task of expediting the cause of the independent and peaceful reunification of the country with united the strength of the entire nation, by thoroughly implementing the 10-point program of the great unity of the whole nation for national reunification laid down by the great leader Comrade Kim Il-song.

The 10-point program of the great unity of the whole nation for national reunification laid down by the great leader is a most reasonable and realistic political program for national unity and a great charter of national reunification which can be acceptable to anyone who loves the country and the nation and who desire national reunification. [applause]

Our nation's only way out under today's stern situation [chosondoen chunomhan chongsehaeso] is all fellow countrymen's strongly uniting under the uplifted banner of the 10-point program of the whole nation for national reunification. The people from all walks of life in South Korea and overseas compatriots must consider the 10-point program of the whole nation for national reunification to be the nation's common guideline and firm will and continuously and vigorously wage the struggle to implement this program.

In compliance with the aspirations of the time and the demand of the people of the DPRK and the United States, the United States must no longer seek sanctions against us but come out, with a sincere attitude and position, to the DPRK-U.S. talks, which can peacefully resolve the nuclear issue on the Korean peninsula.

Strong-arm measures or sanctions can in no way be a way to resolve the nuclear issue but will only bring a catastrophic situation [kanggwonina chejenun kyolko haengmunje haegyorui pangdoro toelsu opsumyo kugossun ojik pagukchogin satae manul chorae halppunimnida].

Even though our people hope for a fair solution to the nuclear problem and value peace and security in the country, they will not beg for this even at the expense of national dignity and independence.

We believe the visit to Pyongyang by a former U.S. President a few days ago will produce an affirmative result.

The Japanese reactionaries must renounce the hostile policy toward the Republic, a policy that they have pursued motivated by a foolish intention to realize their old dream of the greater East Asia prosperity sphere.

The Japanese authorities must ponder over consequences from their maneuvers against the Republic and the General Association of Korean Residents in Japan, honestly apologize for all the crimes committed so far, and punish the criminals.

Sanctions against us are immediately sanctions against the South and a declaration of war to the 70 million Koreans [urie taehan chejenun kot namedaehan chejeimyo chilchonman kyore-e taehan sonjon pogo imnida].

The South Korean authorities must renounce the policy of depending on outside force, take the stand of national independence, give up the policy of confrontation between the fellow countrymen, and seek national reconciliation and unity.

It is our consistent position to meet with anyone—who truly wants the independent, peaceful reunification of the country from the stand of great national unity and national independence—and jointly seek the way of peace in the country and its peaceful reunification.

The premier of the DPRK Administration Council, thinking it lucky that the South Korean side expressed its position to hold top-level talks with us, sent a message today upon authorization to the South Korean prime minister, a message that welcomes and agrees to the South side's proposal for holding a preliminary contact for the North-South top-level talks.

I express support to it in the name of the participants in this report meeting, considering that it reflects our side's consistent position and policy to bring an end to North-South confrontation and open a new phase for national reunification independently and peacefully through top-level talks. [applause]

The year 1995 is a meaningful year that marks the 50th anniversary of the fatherland's liberation and a historic year designated to be the starting year of our nation's reunification. We must make positive efforts to adorn 1995 as the year of national reunification at all costs.

After strongly uniting, under the banner of the 10-point program of the great unity of the whole nation, all the compatriots at home and abroad must vigorously struggle to achieve reunification based on the most reasonable confederal system involving one nation and one state, two systems and two governments.

The dear leader of our party and people Comrade Kim Chong-il is the symbol of socialism, our life and existence, and the destiny of the fatherland and the nation [uriui saengmyongigo saenghwarin, sahoejuuiui sangjing imyo chogukkwa minjogui unmyong isimnida].

All people in the northern half of the Republic must defend and glorify our-style socialism and hasten reunification, in the nineties, by cherishing deep in their hearts the belief of sure victory, that they always win only if there is the dear leader Comrade Kim Chong-il, and continuously and highly displaying their enthusiasm and loyalty, which were more highly demonstrated on the 30th anniversary of the dear leader Comrade Kim Chong-il's start of work at the party Central Committee.

All the workers must score great upsurges in all fronts of socialist economic construction in hearty response to our party's revolutionary economic strategies.

No force in the world will be able to block the path of our people who, upholding the great leader Comrade Kim Il-song, are vigorously marching forward under the wise leadership of the dear leader Comrade Kim Chong-il. [applause]

Let us all vigorously struggle to hasten the complete victory of socialism and the fatherland's independent, peaceful reunification, after strongly uniting around the party and the leader [suryong]. [applause] [end recording]

The report meeting ended with the chorus of the song "Korea Is One."

Seminars on Kim Chong-il's Works Held Abroad

SK2006105294 Pyongyang KCNA in English 1018 GMT 20 Jun 94

[Text] Pyongyang, June 20 (KCNA)—A seminar on "1. The Origin of the Chuche Idea" from "On the Chuche Idea", a famous work of the dear leader Comrade Kim Chong-il, was held by the group for the study of the idea and theory of Comrade Kim Chong-il in Lebanon.

Saying that the chuche idea raised man's position and role in the world as the fundamental question of philosophy and elucidated the philosophical principle that man is the master of everything and decides everything, the reporter noted: "The Korean people have built a powerful socialist country of independence, self-sustenance and self-reliance in defence on the land of Korea on the basis of the chuche idea."

A seminar on the work "Our Socialism Centred on the Masses Shall Not Perish" was held at the Secretariat of the Agricultural Hydraulics of the Frelimo [Mozambique Liberation Front] Party of Mozambique.

Noting that Korea's socialism is strong because the leader, the party and the masses form a harmonious whole, speakers said: "The imperialists are trying to destroy the socialism of Korea, but it is a foolish dream."

A seminar on the work "Young Men and Women, Be the Vanguard Unfailingly Loyal to the Party and the Leader" was held at the society for the study of Kim Chong-il's works in Hwazana District, Harare Province, Zimbabwe.

Daily Lauds Kim Chong-il's 'Clairvoyance'

SK2006103394 Pyongyang KCNA in English 1014 GMT 20 Jun 94

["Clairvoyance in Building Socialism With Bright Future"—KCNA headline]

[Text] Pyongyang, June 20 (KCNA)—With Comrade Kim Chong-il, an outstanding leader with clairvoyance at the head of the party and the revolution, our people are always full of confidence in sure victory and optimism and the prospect of our-style socialism is always bright, declares NODONG SINMUN today.

In a by-lined article titled "Clairvoyance in Building Socialism With Bright Future" the paper says the history of the dear leader Comrade Kim Chong-il's leadership is shining as glorious annals of an outstanding leader who has guided the cause of socialism along the most correct way with clairvoyance to successfully build socialism.

The great leader Comrade Kim Il-song said:

"Since Comrade Kim Chong-il began his leadership, fresh changes have taken place not only in the party work but also in different domains of politics, economy and culture and great innovations and upsurge have been effected in all sectors of socialist construction."

The clairvoyance of Comrade Kim Chong-il in triumphantly leading the cause of socialism has been demonstrated in constantly developing in depth socialism on a new ideological and theoretical basis with deep insight into the demand of the time.

He comprehensively systematized the fundamental principle and contents of the chuche idea with energetic thinking and pursuit. He proved in a scientific way that only the chuche idea, the revolutionary idea centred on the popular masses which gives the man-centred outlook on the world, is the guiding idea which makes it possible to solve most correctly all the problems arising in the accomplishment of the socialist cause. Then, he proclaimed the chuche idea as the guiding idea and theory of our age by formulating the revolutionary idea of the respected leader Comrade Kim Il-song as the system of the idea, theory and method of chuche.

His clairvoyance has been displayed also in that he has wisely guided the efforts to strengthen the party and enhance its leadership function and role, in compliance with the prospective demand of socialist and communist construction, grasping this as the main point, and has always kept to our way, the way of chuche in socialist construction.

He gave a comprehensive exposition of original policies envisaging that the party's leadership must be continued in the communist society. And he has strengthened and developed our party to be a tested guide of the cause of socialism and communism and constantly enhanced its role with energetic guidance.

He set forth the revolutionary slogan "Let us live our own way!" With the chuche-based will and faith that the Korean revolutionaries must build socialism and communism on the land of Korea and build an ideal society of the people with our own efforts in conformity with our people's aspiration and will. And he has wisely led the revolution and construction so that they could be carried on in the Korean way, the way of chuche.

It is a splendid fruition of the wise guidance of the dear leader with clairvoyance that an invincible socialism is confidently advancing along its own way without the slightest vacillation under any circumstances has been built in our country, stresses the article.

Party, People, Army 'Worship' Kim Chong-il

SK2006105694 Pyongyang KCNA in English 1024 GMT 20 Jun 94

[Text] Pyongyang, June 20 (KCNA)—The 30th anniversary of the start of work by the dear leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea (June 19, 1964) was grandly celebrated in the Democratic People's Republic of Korea.

On this occasion a grand national meeting was held at the February 8 House of Culture on June 18, seminars of the party cadres training centres, social science, education and working people's organizations and other sectors and provincial seminars were held and a national symposium on June 16.

The meeting, seminars and symposium laid stress on the great feats performed by Comrade Kim Chong-il in party work and activities, socialist construction, the building of the revolutionary Armed Forces, and in accomplishing the cause of national reunification and international revolution with his outstanding and tested leadership.

On June 18 an evening of Pyongyang students and youth took place at the Kim Il-song Square to celebrate the 30th anniversary of the start of work by Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea and the whole country was in a festive mood with colorful functions including a performance of music and dance poem "Korea, I Will Glorify Thee," fine arts and photo exhibitions commemorating the 30th anniversary. A film week was set and films depicting the feats of his leadership were shown at theatres and cinema houses.

Stamps commemorating the 30th anniversary were published.

Slogans, party flags and large posters were put up in streets and villages across the country and a large number of working people enjoyed the holiday at Mangyongdae, Taesongsan and Moranbong Parks and recreation grounds.

The whole party, the entire people and the whole Army are now filled with absolute worship of the dear leader Comrade Kim Chong-il who has turned the country into a strong socialist country with invincible defence power by wisely leading the party work and the socialist construction as a whole over the past 30 years.

The Korean people are now vigorously advancing to accomplish the revolutionary cause of chuche under his leadership, bearing in mind the great national luck of holding him in high esteem at the head of the party and revolution.

Kim Chong-il Thanks Workers for Unity

SK2106055994 Pyongyang KCNA in English 0408 GMT 21 Jun 94

[Text] Pyongyang, June 21 (KCNA)—Supreme Commander of the Korean People's Army Comrade Kim Chong-il sent thanks to many units and working people including the Sunan District, Pyongyang municipality, committee of the Workers' Party of Korea [WPK], the Songyo District Garment Office in Pyongyang, the Segori Senior Middle School in Pyongyang, the Pukchang County, South Pyongan Province, committee of the WPK, the hot rolling shop of the Kim Chaek Iron and Steel Complex and Kim Myong-chol, a cameraman of the physical science library of the state commission of physical culture and sports, for their full display of the traditional traits of army-people unity.

In the DPRK where the tradition of army-people unity is in full bloom, the army and the people are defending the socialist motherland, closely rallied behind the party and the leader in one mind and purpose.

Upon receiving the thanks, the officials of the units and working people are hardening their determination to bring about a new turn in the performance of their revolutionary assignments and better their assistance to the People's Army.

Yi In-mo Tours Sites Around Pyongyang

SK2106060394 Pyongyang KCNA in English 0425 GMT 21 Jun 94

[Text] Pyongyang, June 21 (KCNA)—Former war correspondent of the Korean People's Army Yi In-mo, the incarnation of faith and will, visited the exhibition of the three revolutions in Pyongyang.

Being briefed on the brilliant achievements made by the Korean people in carrying on the three revolutions, ideological, technical and cultural, under the wise leadership of the party and the leader, he saw with deep emotion exhibits at the general hall, the heavy industry hall, the light industry hall and other halls.

After his visit, he said that the Korean people have brought a great change in socialist economic construction under the party's unique banner of the three revolutions. The exhibition well shows the economic development of the country which is demonstrating its might to the whole world, he noted.

"Our country", he stressed, "could build a solid independent national economy with a powerful chuche-based industry and developed agriculture because it was under the tested guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il".

At the end of his visit to the West Sea Barrage, he wrote in the visitor's book:

"This barrage fully shows the matchless grit of the dear leader Comrade Kim Chong-il and the looks of the Korean people united around him in one mind.

Yi In-mo toured the revolutionary site on Munsu Hill and the Grand People's Study House in Pyongyang.

Industrial Production Increases Praised

SK2106073994 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Jun 94

[Text] Today, a great heyday has unfolded in our country, unprecedented in the 5,000-year long history.

Our fatherland has turned into a socialist power with invincible national strength because the revolutionary party has been strengthened and developed, and world-class changes have been achieved in all sectors—political, economic, cultural, and military—under the party's leadership.

In June 1964, our people came to usher in the new era of this proud history because they were blessed again with having another leader [suryong] by upholding the dear leader Comrade Kim Chong-il at the head of the party and the revolution.

Under the wise leadership of the dear comrade leader, the party's leadership role has been extraordinarily consolidated, and the party work has been carried out in close tandem with the economic work over the past 30 years. As a result, in accordance with pushing for the economic construction and national defense building, we have seen the successful accomplishments of the Seven-Year Plan, which had been carried out until 1970; of the Six-Year Plan from 1971 to 1976; of the Second Seven-Year Plan from 1978 to 1984; and of the Third Seven-Year Plan from 1987 to 1993.

The implementation of the four grand long-range plans has unfolded the heyday of our era which is shining with the esteemed name of Comrade Kim Chong-il, and has displayed to the whole world the formidable might and invincibility of the socialist fatherland in which the leader [suryong], the party, and the masses are marching forward in singlehearted unity.

Our self-supporting national economy has endlessly been strengthened and developed on the basis of its own firm foundation. The industrial production had increased by more than one and a half times in each period of the plan.

The industrial production increased by 3.3 times during the Seven-Year Plan period; by 2.2 times during the Six-Year Plan period as of the end of August 1975 when we achieved the goal ahead of schedule by one year and four months; by 2.2 times during the Second Seven-Year Plan period; and by 1.5 times during the Third Seven-Year Plan period.

These great achievements, which have been made for the past 30 years, are precious fruitions of the leadership of the revolution and construction by the dear leader Comrade Kim Chong-il—a great politician, a genius of creation and construction, and an ever-victorious iron-willed brilliant commander—who has with far-sighted clear-mindedness, outstanding revolutionary sweep, matchless mettle, and extraordinary determination. Herein lie the immortal achievements of the outstanding leader [yongdoja] who has added bright luster to Korea in the whole world.

The 30 year-long period until today since the dear comrade leader began leading the party work has been one in which the most glorious and brilliant era has unfolded in the annals of the Korean revolution, and one of great creations and changes in which Korea unprecedentedly shines in the whole world throughout the 5,000-year old history of our nation.

Our people will brilliantly accomplish the revolutionary cause of chuche along the single road to loyalty forever by cherishing deep in their hearts the greatest national dignity and pride of having established a socialist power in which they neither fear nor envy anything in the world, while upholding the great leader [widaehan yongdoja] at the head of the party and the revolution and following his seasoned leadership.

South Korea

DPRK Informed of Delegates to 28 Jun Contact

SK2306054594 Seoul KBS-1 Radio Network in Korean 0517 GMT 23 Jun 94

[Text] The ROK Government has decided on the members of our side's delegation to a preliminary contact for North-South summit talks to be held on 28 June in Panmunjom. The delegation will be led by Yi Hong-ku, deputy prime minister and minister of the National Unification Board. The government notified the North Korean side of the list of delegates and accompanying officials just a few moments ago at 1400 [0500 GMT]. Hong Chong-chin reports from the National Unification Board:

[Hong Chong-chin] Our side's delegation is composed of senior delegate Yi Hong-ku, deputy prime minister and minister of the National Unification Board; Chong Chong-uk, senior secretary for foreign and national security affairs; and (Yun Yo-chun), special adviser to the prime minister. The government sent a telephone message to the North Korean side to notify it of this list just a few moments ago at 1400.

Foreign Ministry Strategy for Summit Analyzed

SK2306052694 Seoul HANGUK ILBO in Korean 22 Jun 94 p 2

[By Ko Tae-song]

[Text] The ROK Government took the initiative to propose a preliminary contact for the early realization of the North-South summit talks. Diplomatic measures supporting the government's initiative in North Korean affairs are becoming concrete. As soon as the telephone message proposing the preliminary contact was sent to North Korea on 20 June, the Foreign Ministry immediately gave formal notice of the fact to its allies, including the United States and Japan, permanent members of the UN Security Council, including China and Russia, and international organizations including the International Atomic Energy Agency [IAEA]. The government made it clear to the international community that it is moving toward dialogue while keeping the stick of sanctions in hand.

The government is pursuing the North-South summit talks while rechecking the alliance between the ROK and the United States under the assessment that the dialogue phase might be the last chance to peacefully resolve the North Korean nuclear issue. This reflects the government's position that the United States and the international community's demands, including special inspections, are necessary elements for achieving the fundamental goal of the denuclearization of the Korean peninsula.

The government is reportedly evaluating the variables of the situation presented by the North-South summit talks and the third round of North Korea-U.S. talks while straightening up the confusion related to Former U.S. President Carter's visit to the North and rechecking the alliance to cope with the new situation. Based on various scenarios, the two governments are reportedly adjusting their positions regarding the verification of agenda in case the North-South summit talks are realized, the plan for achieving the denuclearization of the Korean peninsula, and the principles of the North Korea-U.S. talks.

The government also welcomed Japan's reaffirmation of the three-party alliance between the ROK, the United States, and Japan at a time when the North-South summit talks are being pursued, and reportedly asked for Japan's diplomatic support to realize the summit talks. The government is checking Japan's intention through diplomatic channels regarding Japanese Foreign Minister Kakizawa Koji's remarks at the House of Councillors' Foreign Affairs Committee on 20 June that the elimination of nuclear suspicions will not be a precondition to the resumption of negotiations on establishing diplomatic relations with North Korea. As negotiations on establishing diplomatic relations between North Korea and Japan could actually be resumed around the time of the North-South summit talks, the government is also finalizing its position regarding this possibility.

As the general situation is inclined toward the possibile resumption of dialogue with North Korea, the Foreign Ministry has readjusted the principle of three-channel dialogue—dialogue between the North and the South, North Korea and the United States, and North Korea and the IAEA—and established a policy to utilize the three channels to complement each other. The government's position in the case of dialogue between North Korea and the IAEA, is that, with North Korea's withdrawal from the IAEA, it is better to induce practical dialogue rather than to agitate North Korea by demanding its return to the IAEA. According to a relevant government official's explanation, the government's readjustment of the basic frame of channels of communication is designed to efficiently respond to Russia's intention to exercise influence on the North Korean nuclear issue with its proposal of an eight-party conference, while taking advantage of the development in the North-South summit talks.

With the resumption of the North Korea-U.S. talks, the government decided not to oppose the third round of high-level North Korea-U.S. talks if North Korea's sincerity is verified and to keep watching the result of working-level contacts between North Korea and the United States in New York. The government is positively appraising the remarks by U.S. President Clinton on 21 June that North Korea's proposal made through Former President Carter is a hopeful sign and that verifications will be made through contacts between North Korea and the United States. The government expects that the ROK and the United States may disagree on assuring the transparency of not only the present and future but also past nuclear activities of North Korea. The government reportedly conveyed a strong message regarding its position to the United States.

Directive on Seeking Early Inter-Korean Summit

SK2306002894 Seoul KYONGHYANG SINMUN in Korean 23 Jun 94 p 1

[By Kim Pong-son]

[Text] On the morning of 23 June, the government will hold an emergency meeting of the Unification-National Security Policy Coordination Council headed by Chairman Yi Hong-ku, deputy prime minister and minister of the National Unification Board, to fine- tune its final position before it takes future countermeasures in the wake of North Korea's acceptance of our proposal for a preliminary contact for the summit talks.

In particular, the government will decide on which three delegates will represent our side at the preliminary contact and notify the North Korean side of the list.

The government has temporarily designated Deputy Prime Minister Yi as the head delegate. It has been learned that the government will select two vice ministerial-level officials as other delegates.

It has also been learned: President Kim Yong-sam gave directives that the government see to it that the summit meeting is realized as soon as possible, regardless of time or place. In this connection, the government will work towards finalizing its policy to realize summit talks in July.

Possibility of Regular Korean Summits Studied

SK2306082294 Seoul YONHAP in English 0814 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—The government is studying the possibility of making inter-Korean summits a regular dialogue channel once the proposed inter-Korean summit is realized in July, informed official sources said Thursday.

The government is also considering opening a hot line between Seoul and Pyongyang so that President Kim Yong-sam and his North Korean counterpart Kim Il-song can discuss key issues over the phone at any time. He noted the hot line is necessary for discussion of important issues to ensure the common prosperity of all Koreans as well as peace and stability on the peninsula.

The official said the summit should not be a one-off event. "It is desirable to regularize the summits in such a manner as to hold a second meeting in Pyongyang if the first meeting is held in Seoul," he said.

Some Koreans favor a third site other than Seoul or Pyongyang, citing as a precedent the first summit between West and East Germany. The official, however, emphasized that it must be held in either Seoul or Pyongyang from a symbolic standpoint.

"The earlier the meeting is held, the better it will be," he said, voicing hope that it would come in early July.

Meanwhile, the government will soon discuss matters related to the summit based on the principle of denuclearization of the Korean peninsula agreed between Seoul and Pyongyang, and the agreement on reconciliation, nonaggression, exchanges and cooperation which was signed at a prime ministers meeting in 1991.

Prudence Urged in Approach to Summit Talks

SK2306084994 Seoul KYONGHYANG SINMUN in Korean 23 Jun 94 p 3

[Editorial: "Time and Venue for the South-North Summit Talks"]

[Text] Presently, there are many speculative and prospective remarks concerning the South-North summit talks. The important thing is for the summit meeting to be successful. Everything is important regarding the question of the reconciliation between the South and North and of national unification, including the North's nuclear issue. The issue of averting a war at this very moment is also very urgent.

For the realization and success of the summit talks—on which the future fate of our nation depends—both the South and North should approach this issue in a sincere and prudent manner. This is because we should solve the question of our nation's survival, not the issue of systems or regimes. In this regard, we think it fortunate that the North side has agreed to our side's proposal for a working-level contact at Panmunjom on 28 June.

This notwithstanding, the North side is still continuing vilifying broadcasts toward the South and has spread word that President Kim Il-song told a Japanese woman that he hopes the summit will take place in Pyongyang on 15 August. If this report is true, we have to take issue with his real intention regarding his preference for 15 August. The day of national liberation is really a good date, however, the problem is that the North will be holding a political event, the so-called "15 August pannational rally," on that day.

Needless to say, the "15 August pannational rally" is part of the North's idea for the convocation of "the political consultative conference"—whose realization the North has pertinaciously advocated—in connection with its strategy for the reunification front against the South. If they propose holding the summit talks in tandem with such a pannational rally, we cannot but suspect their ulterior motive on two points. First, we suspect that they might weaken the significance of the summit talks if it is part of the pannational rally. Second, we suspect that under the pretext of opposition from the South, they might attempt to bring the summit meeting itself to naught and, at the same time, to avert sanctions related to their nuclear development. Under whatever circumstances, if the summit meeting is suspected to be connected with such an ulterior motive, it will be meaningless, therefore, we find this very unacceptable.

As proposed to us through former U.S. President Carter, the North has to prove its sincerity and seriousness to the unconditional South-North summit talks. To this end, it should change its irritating or antagonistic attitude toward the South. It ought to call off vilifying and seditious broadcasts against the South that spoil the atmosphere for the summit talks and to give up the idea of launching a big offensive of political propaganda by convening the pannational rally with the participation of a South Korean Federation of General Student Councils [Hanchongnyon] representative.

Of course, it is not so easy to remove the antagonistic sentiments—which have been pent up over the past half a century of national division—and to achieve the long-cherished national desire for unification. It is, therefore, all the more necessary for the South and North to show a sincere and serious attitude to the reconciliation and dialogue between the South and North. National unification will be more remote if the North, as well as the South, should try to make use of the summit talks to maintain their respective political power; and in the North's case, from the viewpoint of its strategy toward the South. We should also make a prudent approach to the time and venue of the summit talks. North Korea, too, should corroborate its sincerity for the realization of the summit talks at the preliminary contacts.

Clinton Calls Kim on Resumption of DPRK Talks

SK2206235794 Seoul YONHAP in English 2353 GMT 22 Jun 94

[Text] Seoul, June 23 (YONHAP)—U.S. President Bill Clinton phoned South Korean President Kim Yong-sam Thursday morning and discussed concerted measures on the North Korean nuclear dispute.

Clinton called Kim at 7:57 AM and explained the background behind the U.S. decision to agree to resume a third round of high-level talks with North Korea.

Kim, for his part, explained the progress of Seoul's preparations for the proposed inter-Korean summit meeting. The two leaders exchanged views on steps to take with regard to the North Korean nuclear issue.

DPRK Vows To 'Comply in Full' With NPT

SK2306024094 Seoul YONHAP in English 0210 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—North Korea has confirmed that it will accept international inspections of sites that could reveal its past nuclear activities, South Korean Foreign Minister Han Sung-chu said Thursday.

Pyongyang, in a letter to Washington, said it would "comply in full" with the nuclear Non-Proliferation Treaty (NPT) and the International Atomic Energy Agency (IAEA) safeguards agreement, Han said at a press conference.

"You can take this to mean that this includes North Korea's compliance in explaining its past nuclear activities," said Han.

Han's remarks suggest that North Korea has agreed to the "special inspections" demanded by the IAEA, the UN nuclear watchdog agency, of two sites believed to store nuclear waste materials after the North's secretive reprocessing activities in the past.

Han denied widespread press reports that Washington was ready to overlook whatever North Korea may have done during its past nuclear development.

"That's just not true," said Han. "The past has been the problem from the beginning, and that is why the matter was referred to the UN Security Council. We cannot close our eyes to that."

On the proposed inter-Korean summit, the foreign minister said Seoul will not try to set the agenda beforehand though the two sides are expected to discuss implementation of the agreement on denuclearization of the Korean peninsula.

A "miraculous" breakthrough in the nuclear impasse was achieved after former U.S. President Jimmy Carter met directly with North Korean leader Kim Il-song.

Kim relayed through Carter that North Korea would comply fully with the nuclear Non-Proliferation Treaty (NPT) regime and with the IAEA safeguards accord, allow IAEA inspectors to remain in North Korea, keep IAEA monitoring equipment in operation and freeze its nuclear activities.

Pyongyang confirmed these intentions directly to Washington Thursday, and U.S. President Bill Clinton personally declared that efforts for UN sanctions against North Korea will be suspended and the next round of U.S.-North Korea high-level talks will open in Geneva early next month.

What North Korea said about complying fully with the NPT and the safeguards accord "carries in it various meanings," Han told reporters, especially regarding its intentions to show what it has done in the past with spent fuel.

"At least the possibility of recounting the past through access to the two undeclared sites remains alive," he said.

"It is unclear as to whether it is still possible for the IAEA to recount what North Korea did with its spent nuclear fuel rods in a way it wants and needs. But an explanation of the past would be possible when this complemented access to the two sites," said Han.

As to what constituted satisfactory inspection of past activities, the foreign minister said it would have to be a method guaranteeing 100-percent transparency deemed satisfactory to the IAEA.

He denied reports that the Clinton administration was ready to overlook what North Korea may already have done.

"It was a choice of whether the issue of the past should be settled before or during the third round of North Korea-U.S. high- level talks. It was not a choice of whether to address or ignore it," said Han.

While stressing the importance of both tracing the past and staving off nuclear proliferation in North Korea, Han said the time factor places more emphasis on freezing the North's nuclear program.

He described a "new basis" to continue diplomatic efforts on the nuclear problem created by Pyongyang's latest gesture.

"It's true that the basis for dialogue was broken when North Korea unloaded fuel rods from its nuclear reactor," he said.

"But a new basis was laid with new conditions such as North Korea's promise not to reload and reprocess."

DPRK Invites Seoul Sports Officials to Meeting

SK2306105794 Seoul YONHAP in English 1033 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—North Korea has invited South Korean sports officials to a meeting this weekend to discuss the second East Asia games slated for Sept. 20 next year in Pyongyang.

An official at the Korean Amateur Sports Association (KASA) said on Thursday that the Pyongyang East Asia Games Organizing Committee extended the invitation to KASA, informing that the Pyongyang games' eighth consultative meeting would be held in Taipei on June 26-28.

The message dated May 25 was delivered through the Taiwan Olympic Committee. A copy of the message was later sent to the Korean Olympic Committee [KOC] via the Chinese Olympic Committee, the official said.

Originally North Korea planned to hold the eighth meeting in Japan during the Hiroshima Asian games period. But, at the suggestion by games member countries that it would be too late, North Korea advanced the time of the meeting to this weekend, a sports source said.

In response to the invitation, KASA would send three delegates including Pak Sang-ha, KOC International Committee chairman, to the Taipei meeting, the official added.

Thai Premier Chuan Arrives for Official Visit

SK2306125494 Seoul YONHAP in English 1246 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—Thai Prime Minister Chuan Likphai arrived in Seoul Thursday afternoon aboard a special Thai Air Force plane for a four-day official visit at the invitation of President Kim Yong-sam.

The Thai premier was greeted by Foreign Minister Han Sung-chu on arrival at Seoul airport.

On Friday morning, Prime Minister Chuan and President Kim will have a summit meeting at Chongwadae [presidential offices] to exchange opinions on East Asia situations centered on the nuclear question.

Later in the day, Chuan will meet with Prime Minister Yi Yong-tok and National Assembly Speaker Yi Man-sop. In the evening, he will attend a dinner to be hosted by President and Mrs. Kim.

Chuan is the first Thai prime minister to visit Seoul since 1981.

Trade Minister Comments on WTO Post Bid

SK2306100394 Seoul YONHAP in English 0746 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—Trade, Industry and Energy Minister Kim Chol-su said Thursday he feels a strong sense of responsibility to run for the post of secretary-general of the World Trade Organization (WTO).

"It's a great honor that the Korean Government has recommended me as a candidate for the position, but at the same time I feel a heavy responsibility to compete for the post at the world organization which is called the United Nations of the economy," Kim said in an interview.

He explained that the new WTO secretary-general is entitled to officially launch the trade body next Jan. 1 or at the earliest possible date thereafter.

The new secretary-general, he continued, should also push for negotiations on the service sector that are still pending after the Uruguay Round.

In addition, the group's chief must exercise leadership in solving the myriad world trade problems linked to the environment, economic policies, labor standards and technology policies, he noted.

Students Stage 'Violent' Demonstration

SK2206120294 Seoul YONHAP in English 1155 GMT 22 Jun 94

[Text] Kwangju, June 22 (YONHAP)—About 1,000 students of the Namchongnyon organization violently demonstrated Wednesday afternoon here in Kwangju demanding the stoppage of what they called "Namchongnyon suppression" and the release of arrested students.

The demonstration lasted about one and half an hours beginning around 5 P.M. along a street near the east ward office near Sosok-dong.

When riot police fired tear gas canisters, the students mostly of Chonnam and Chosun Universities countered it with rock hurling, paralyzing traffics.

At an earlier rally held at the Chosun University campus, the students also demanded the safe return home of those Kwangju students stranded in Seoul and asked for the disclosure of the truth of the June 18 violent clash at Hong-ik University in Seoul.

Meanwhile, at the reports of the renewed issuance of search and seizure warrants against the two Kwangju campuses, students erected barricades at their school gates to keep police from entering.

So far 110 Namchongnyon students were arrested for their part in unlawfully stopping a passenger train and in the violent clash of June 18 in which more than one hundred policemen and students were injured.

Student arrests are likely to swell as the police, determined to ferret out all those who actively took part in the violence, have launched an extensive manhunt.

Students claim that both the train stoppage and Hong-ik University clash were the results of "traps" laid by the police.

Emergency Planning Chairman Interviewed

SK2206130594 Seoul SISA JOURNAL in Korean 23 Jun 94 pp 32-34

[Interview with Chon Yong-taek, full-time member of the National Security Council and chairman of the Emergency Planning Committee, by Kim Tang; place and date not given—first paragraph is SISA JOURNAL's introduction]

[Text] The National Security Council, the Emergency Planning Committee, and the Chungmu Program are all unfamiliar organizations and terminologies. Chairman Chon Yong-taek (57) is a minister-level high-ranking figure serving as a full-time member of the National Security Council, which is a constitutional institution advising the president, and as chairman of the Emergency Planning Committee assisting the prime minister. Regardless of his position, he is an unfamiliar figure to the people. Nevertheless, since the North Korean nuclear crisis has been thrown into taking sanctions against the North by the ROK, the United States, and Japan, thus heightening a tense situation on the Korean peninsula, the people are under a situation in which they must familiarize themselves with the Chungmu Program of which Chairman Chon is in charge. At the crossroads of peacetime and wartime, the following is an interview with Chairman Chon on diagnosing the current situation and taking a posture of preparedness.

[Kim Tang] The holding of the National Security Council meeting, the first one since the new government set sail, attracted an extraordinarily amount of attention. Is the current situation such as to convene a national security meeting?

[Chon Yong-taek] The government had held security related ministerial meetings, high-ranking strategic meetings, and reunification and security policy coordination meetings in the past to take measures regarding the North Korean nuclear issue. However, since the National Security Council meeting—a constitutional institution—was held officially for the first time, people are apt to feel that there is a serious critical situation. Before the Fifth Republic set sail, the National Security Council meeting was held regularly every quarter. However, it was held once or twice annually after the Sixth Republic was launched. This must have given a sense of tension to the people. The meeting was not convened because there was a critical emergency situation.

[Kim] In the operational regulations of the National Security Council it is stipulated that except for an "emergency matter," the agenda to be discussed must be presented seven days in advance and distributed five days before. If it is not an emergency matter, why was this normal operational regulation avoided?

[Chon] The president decided to hold such a meeting when he was in Uzbekistan. An atmosphere was created to fully discuss the issue of taking sanctions against the North by the United Nations when the president was on a visit to Russia. Also, the National Security Council meeting convened because the president judged, after holding a telephone conversation with President Clinton, that it was necessary to give North Korea a firm message. Formally it was regarded as an emergency matter because of the pressing time, but it was not carried out urgently because the content of an emergency agenda had to be discussed. It only seemed an emergency matter because of the limitations in time and venue.

[Kim] How was the atmosphere of the meeting?

[Chon] On the one hand, participants of the meeting were disappointed because the North Korean nuclear issue has led to taking sanctions against the North, and on the other hand, it was an atmosphere of communion of minds in that the government must deal with this matter resolutely and with confidence. The president revealed that he will convey his firm will and message to the people and the North Korean regime. It was an opportunity for the officials who attended the meeting, who are to draft and execute the state's policy, to examine that they will deal with the situation, even it turns to the worst, with resolute confidence.

[Kim] Were there any matters for resolution?

[Chon] It is not a time to make it public at this time and also it is not a matter to make it public.

[Kim] My question is not what matters were resolved but whether matters were discussed.

[Chon] That is also a secret. There are two functions in the National Security Council meeting. The first function is a resolution function, to establish a policy guideline through discussions by the members to establish foreign, military, and domestic policies related to securing national security. The second function is a reporting function, to analyze and assess a situation. The recently held meeting had a stronger reporting function.

[Kim] What was the content of your report?

[Chon] I cannot give you any details. I just gave a report on "the state's mobilization preparedness if UN sanctions are taken against the North," which the Emergency Planning Committee is in charge of. What I would like to emphasize is that going into a phase of sanctions does not mean that we are going to have a war. What I mean is that we must persuade the North Korean authorities even through forcible means. I made a report on the government's posture for preparedness if we go into an emergency situation and on taking measures for a possible provocation from North Korea which may be expected during the period of sanctions, if things do not go well.

[Kim] You are the chairman of the government's Emergency Planning Committee and a full-member of the National Security Council. What is the function of the Emergency Planning Committee?

[Chon] The three main roles of the Emergency Planning Committee are maintaining the government's function; assisting military operations, and stability of the people's livelihood. In other words, first the government organization must be changed into a war structure so that the government's functions can be carried out as in normal time; second, the government must mobilize all the resources for carrying out war to assist the military; and third is stabilization of the people's livelihood. This is to assist and manage work so that the people can maintain a stable life even during war. For example, it will supply necessities of life and when there are acts of buying up and hoarding goods, it will control circulation and price as the time demands. Also, it may carry out ration systems to stabilize the people's livelihood. These functions will be carried out through the Chungmu Program, the state's emergency plan in case of wartime, which the Emergency Planning Committee is in charge of.

[Kim] This state structure, which carries out an important role, is not stipulated in the National Government Organization Act.

[Chon] The basis for establishing the Emergency Planning Committee is clearly stated in the law on managing resources for emergency set up in 1984.

[Kim] It seems that most of the people do not know the content of that law or that there is even that kind of law. For example, most of the adults are targets of the law on managing resources (human resources), and is the press not also a target to be managed?

[Chon] Yes. Since South-North confrontation was a confrontation of ideology and system, cooperation from the press is absolute in all-out national efforts. Therefore, we have sent an emergency plan to press the organs and designated the organs to be mobilized during peacetime in preparation for an emergency.

[Kim] Under the law of managing resources, what was presented in detail as an emergency situation?

[Chon] It differs according to the signs or magnitude of a war or a crisis that can threaten the nation's security.

[Kim] Does it mean that it is carried out step by step just like the ROK-U.S. Combined Forces Command's operational plan, the OPLAN 5027?

[Chon] Yes. Regarding an emergency situation, the government judges that it is inevitable to have a close connection with the military's preparedness. If the military enhances the posture of preparedness, the Chungmu Program will be geared gradually. However, when the final proclamation on order of mobilization in wartime is made or when an emergency situation occurs, the military will explain the situation, but the government will make decisions through a cabinet meeting on a step-by-step basis.

[Kim] If the Chungmu program had been a preparation for North Korea's southward invasion in the past, should the current program have not included measures for a sudden collapse in North Korea, for instance, a refugee plan?

[Chon] A war always comes with refugees. Plans for sheltering and relieving refugees are one of the functions of stabilizing the people's livelihood. The Chungmu program is a wartime plan and does not include plans for such a sudden and special situation.

[Kim] Then, do you mean that the Chungmu program is only related with the OPLAN?

[Chon] They are certainly related. One of the three major functions of the Emergency Planning Committee is to support military operations. However, the core of the Chungmu program is to maintain government functions. If the government stops functioning, there will be no military operations or stabilization of the people's livelihood. Therefore, the Chungmu program is not for military operations alone.

[Kim] The Emergency Planning Committee would need actual or map exercises. What kinds of exercises are conducted by the Emergency Planning Committee?

[Chon] The Ulchi exercise is the typical one. It is basically a map exercise of the three major functions that I just have mentioned in a simulated war situation. Sometimes, actual exercises are conducted for those fields that require special evaluation and checking of the plan's actual efficiency.

[Kim] Ulchi and Focus Lens exercises will be combined beginning this August.

[Chon] Yes. However, it is a methodological decision aimed at maximizing the effect of the exercise. It has no other objectives or messages. The Focus Lens is purely a military exercise. Because the military exercise cannot be separated from the Chungmu program, only the inter-government training part of the Ulchi-Focus Lens exercise is controlled by the Emergency Planning Committee and the military part of the exercise is controlled by the commander of the ROK-U.S. Combined Forces Command. In principle, the prime minister takes overall responsibility but the military exercise is commissioned to the commander of the Combined Forces Command and the inter-government training is controlled by the prime minister through me, the umpire. The prime minister is the general supervisor [chonggam] and I am the chief of the central control group [chungang tongje tanjang].

[Kim] At the National Assembly Defense Committee on 9 June, Defense Minister Yi Pyong-tae expressed his confidence in the preparedness for an all-out war. Do you think it is possible that North Korea would start a war?

[Chon] I believe there is little possibility that North Korea would start a war judging from the objective conditions after the collapse of the Cold War system. However, as everyone knows, North Korea adopted four major military lines from 1964 and has invested 20 to 24 percent of the gross national product in defense to prepare for a war. In addition, North Korea has repeated irrational acts, including the Panmunjom ax incident, terror at Aung San Memorial Hall in Burma, and the bombing of a Korean Air plane. Thus, we cannot say that there is no possibility that North Korea would start a war by objective conditions or classical strategic theories. I would like to emphasize that it is not important whether or not a war would breaks out, what is important is that we are fully prepared so that the enemy cannot attack us.

[Kim] If UN sanctions are implemented and are to reap fruits to some extent, we have no choice but to employ semi-military means, such as a naval blockade. But by driving North Korea to a dead end in such a way, does it not give North Korea a justification to evoke a provocation, such as violating the Armistice Agreement? Would this not happen if North Korea is pushed to a dead end?

[Chon] The media have been reporting on various scenarios, however, they are only scenarios and have no credibility at all. The present stage is a stage of mapping out international sanctions and I do not even know in what form and order sanctions would be taken. No decisive methods and procedures have been chosen. And even if the situation enters a phase of sanctions, the government cannot spell out the worst-case scenario beforehand and disclose to the media its measures against such a scenario. This is because the government would impose sanctions with an upbeat view that North Korea would change its stance during the period in which sanctions are imposed against it. Of course, the government is fully prepared with various measures since North Korea is expected to resist in any way in case sanctions are invoked. This is also an assumption.

[Kim] The media recently quoted the TIME's report on pessimistic and optimistic views over the result of a war game. Do such scenarios have credibility?

[Chon] A game is only a game. I do not know whether the war game coincides with reality or not, however, there can be some assumptions in this. The first assumption is that North Korea would succeed in a surprise attack. There is no strong man who can counter a surprise attack. No matter how formidable the Army may be, it can fall victim of a surprise attack. With such an assumption, defense difficulties follow in the war game. Such being the case, it is very important to know whether such an assumption is rational. Another tragic scenario is that the North Korean Army's vehicles, cannons, and tanks invade the ROK through underground tunnels. No one can absolutely deny such a possibility. It is even more impracticable to assert the real possibility of an underground invasion like that. In fact, underground tunnels are very fragile. When an exit is uncovered, everyone inside the tunnel is doomed to die. This kind of an imprudent war cannot be unleashed. Accordingly, it is important to know whether the assumption is rational and realistic. Defeat in a war game takes place because a computer was set up to be defeated. For example, the enemy's large-scale mechanized unit is inputted into a computer on the assumption that the enemy makes a surprise attack into Munsan and Chorwon as an axis.

[Kim] However, a vague psychological fear prevails in our society.

[Chon] Our basic strategy is the ROK-U.S. joint deterrence strategy. In other words, it is a strategy aimed at deterring a war on the Korean peninsula. We are heightening military preparedness not for victory but for the deterrence of a war. The strategic concept of the ROK Force is "the metropolitan area equals the ROK." Fifty percent of our country's national assets and 45 percent of the population are concentrated on the metropolitan area. Our strategy on defending the metropolitan area is firm and the Chungmu program has also been supplemented and developed over a long time. Moreover, the defense capability of ROK-U.S. Joint Forces is formidable. Even if the enemy evokes a provocation, there is no need to worry about the combat capability in the front line. When the rear is well prepared against the intrusion of the enemy's special unit, a worrisome situation will never arise.

[Kim] What kind of determination or preparedness should our people have at the present stage?

[Chon] As you are well aware of, a country such as Switzerland is perfectly prepared against contingencies even though it has no threat from outside. In Switzerland, every work place is equipped with a protection facility and every household has an underground protection facility prepared against chemical, biological, and radiological warfare and is also equipped with enough emergency food and medicines to last for over six months. Its reserve forces, whose houses are armed with individual firearms, have preparedness in which they can be mobilized within 48 hours in more than 48 divisions. Maybe that might be the reason Switzerland is enjoying the best quality of life in the world. What is important for us is not whether a war arises or not but having a determination and preparedness in times of peace.

President Kim Discusses Competitiveness

SK2306103294 Seoul YONHAP in English 1009 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—President Kim Yong-sam called on leading company presidents Thursday to take the lead in building up the nation's international competitiveness and bringing about smooth labor-management relations.

At a Chongwadae [presidential offices] luncheon he hosted for 28 company presidents, Kim stressed that for labor-management harmony, good human relations should be maintained between the two sides and companies should be managed clean-handedly without any spot of suspicion.

Presidential spokesman Chu Ton-sik quoted the president as telling the attendees that Korean industries should increase competitiveness through technological development and productivity elevation.

Industries should also respect the order of fair competition and establish firm industrial ethics, the president said.

Among the attending company heads were Pae Sun-hun, president of Daewoo Electronics Co.; Yi Tae-won, president of Samsung Aerospace Co ; and Kim Chu-yong, president of Hyundai Electronics Co.

Burma

Australian Envoy Denies Border Aid Report

BK2206090294 Hong Kong AFP in English 0649 GMT 22 Jun 94

[Text] BANGKOK, June 22 (AFP)—The Australian embassy in Rangoon Wednesday denied a report that it had conveyed an offer from a private Australian aid group to help Burma's junta develop border areas.

Ambassador Stuart Hume, reached by telephone from Bangkok, said that, contrary to the Radio Rangoon report, he had conveyed no such offer in talks Friday with Burma's minister for border areas development, Lieutenant General Maunt Thint.

Hume said he had raised the general question of access of non-governmental organizations (NGOs) to people in the border areas, including zones inhabited by former insurgents.

"We sought an assurance from the minister that NGOs were free to work in the border areas, which are frequently the most disadvantaged and where humanitarian needs are often the greatest," Hume said.

The minister responded that NGOs were "welcome," the ambassador said.

Some 10 NGOs are currently working on projects in Burma. NGOs set up their own projects in areas in need, rather than participating in programs put together by the ruling junta, Rangoon-based diplomats said.

Australia and other Western nations have restricted assistance to Rangoon as a means of pressuring the junta to introduce democratic reforms.

Canberra ended all official assistance to Rangoon after the military seized power in September 1988, killing thousands of people as it crushed a nationwide pro-democracy movement.

PRC Military Delegation Arrives for Visit

BK2206145894 Rangoon Radio Burma in Burmese 1330 GMT 22 Jun 94

[Text] A seven member Chinese military goodwill delegation led by General Li Jiulong, commander of the Chengdu Military Region of the People's Liberation Army [PLA], arrived at Yangon [Rangoon] international airport by China Airlines at 1230 this afternoon. The delegation was welcomed at Yangon airport by Lieutenant General Tin U, commander of No.1 Bureau of Special Operations of the Defense Ministry and army chief of staff; Lt. Gen. Myo Nyunt, commander of Yangon military command; Rear Admiral Tin Aye, navy chief of staff; Major General Tin Ngwe, air force chief of staff; and senior military officers; Mr. Liang Feng, ambassador of the People's republic of China [PRC]; Colonel (Li Hua Ziang), military attache; and responsible personnel.

General Maung Aye, deputy commander in chief of the Defense Services and army commander in chief, received the PRC goodwill delegation led by General Li Jiulong, commander of PLA's Chengdu Military Region, at the Ministry of Defense's Dagon House at 1230 this afternoon. Also present at the meeting were Vice Admiral Than Nyunt, navy commander in chief; Lt. Gen. Thein Win, air force commander in chief; Lt. Gen. Khin Nyunt, chief of strategic studies of the ministry of defense and director of the Directorate of Defense Services Intelligence; Lt. Gen. Tin U, commander of No.1 Bureau of Special Operations of the Defense Ministry and army chief of staff; and Col. (Li Hua Ziang), PRC military attache.

Lt. Gen. Tin U hosted a dinner in honor of the guests at the Defense Services Guest House in the evening.

Brunei, Malaysia & Singapore

Malaysia

Minister Tells US EAEC Not To Weaken APEC

BK2306084794 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Jun 94

[Text] Malaysia appreciates the U.S. concern over the formation of the East Asia Economic Caucus, EAEC, but assures the United States that the proposed forum will not weaken or undermine APEC [Asia Pacific Economic Cooperation]. Defense Minister Datuk Sri Najib Tun Razak said it was rather disheartening to learn that the United States had formally informed Japan that it was opposed to the ASEAN proposal of the EAEC.

He said it was rather surprising since the concept ideally promotes market-driven open regionalism and supports regional economic cooperation. He said this when opening the two-day fifth U.S.-Malaysia colloquium jointly organized by ISIS [Institute of Strategic and International Studies] Malaysia and the Asia Foundation in Washington. Datuk Sri Najib, in his opening remarks, said that he was aware of the domestic public opinion in the U.S. and even Congressional opposition to such an initiative, especially when it does not include the U.S.

U.S. Assistant Secretary for East Asian and Pacific Affairs Winston Lord, who was present at the gathering, said that the U.S. had given its initial response on the EAEC proposal to its ASEAN friends as well as Japan.

MOU on Business Councils Signed With Brunei

BK2306104794 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 Jun 94

[Text] Brunei Darussalam may make use of SIRIM, or Standards and Industrial Research Institute of Malaysia's, facilities and expertise for its industrial products. Its minister of industry and primary resources, Pehin Datuk Abdul Rahman Taib, said this at a news conference. He said one area which Bruneian industries can seek assistance from SIRIM is the certification of their products. It will also send personnel to SIRIM for training.

Earlier, the Bruneian minister and his Malaysian counterpart, Datuk Sri Rafidah Aziz, witnessed the signing of a memorandum of understanding [MOU] between Malaysia and Brunei for the establishment of joint business councils between the two countries. The councils are aimed at promoting business exchanges between the two ASEAN members.

National Front Admits Two Sabah Parties

BK2206124094 Kuala Lumpur BERITA HARIAN in Malay 11 Jun 94 p 1

[By Lichong Angkui and Abdul Karim Mustafa]

[Text] Kuala Lumpur, Friday—The National Front [BN] Supreme Council today unconditionally admitted the PDS [Sabah Democratic Party] and the PBRS [Sabah People's United Party] as BN component parties.

The decision to admit the two parties, which broke away from the PBS [Sabah United Party], was made at a meeting of the BN Supreme Council this evening. However, the BN refused to admit Setia [Sabah People's United Democratic Party] into its fold.

The meeting, lasting over one hour, was chaired by Datuk Sri Dr. Mahathir Mohamed and attended by leaders of all the 12 BN component parties. Also present were UMNO [United Malays National Organization] Deputy President Datuk Sri Anwar Ibrahim and BN Secretary General Datuk Mohamed Rahmat.

Speaking to reporters after the meeting, Dr. Mahathir said the leaders of all the BN component parties unanimously approved the admission of the PDS and the PBRS into the BN.

"The BN Supreme Council considered the request of the three parties to join BN during its meeting today. After lengthy discussions, we decided to admit the PDS and the PBRS, but not Setia. [no closing quotation marks as published]

"The two parties were admitted unconditionally as full BN members," he said.

The PDS was established by former PBS deputy president Datuk Bernard Dompok, while the PBRS is led by former PBS secretary general Datuk Joseph Kurup. The PDS currently has 12 state assemblymen, while Kurup is the sole PBRS state assemblyman.

On 31 May, the Sabah BN agreed to admit the PDS and the PBRS into its fold. A day later, Datuk Mark Koding, president of Akar [People's Justice Front], stated that his party remained opposed to the entry of the breakaway PBS groups into the BN.

The PDS and the PBRS were established after the PBS, led by Datuk Joseph Pairin Kitingan, lost power when some of its state assemblymen quit the party and joined the BN.

The Sabah BN now has seven parties with the admission of the parties. They are the UMNO, the Akar, the LDP [Liberal Democratic Party], SAPP [Sabah Progressive Party], the MCA [Malaysian Chinese Association], the PDS, and the PBRS.

Dr. Mahathir also said that he will discuss with Sabah Chief Minister Tan Sri Sakaran Dandai the filling of the post of the deputy chief minister reserved for the non-Muslim indigenous Sabahans and several other posts.

"I think the admission of the two parties will not cause any problems because the decision was made unanimously. All the BN leaders agreed," he said.

Concerning Akar's opposition, Dr. Mahathir said: "That party gave its opinion. After listening to all opinions, we made a decision and all agreed."

Cambodia

KR Claims Government Offer Losing Appeal

BK2206121694 Hong Kong AFP in English 1053 GMT 22 Jun 94

[Report by Kevin Barrington]

[Text] Dey Eth, Cambodia, June 22 (AFP)—A government amnesty programme for Khmer Rouge [KR] defectors is losing appeal with guerrillas and numbers are declining sharply, former guerrillas said Wednesday.

Ex-Khmer Rouge fighters spend eight to 10 weeks at this military-run re-education camp just east of the capital before graduating with the offer of a post, and possible promotion, in the Cambodian army.

Some 600 defectors finished the first course of re-education in November but the figure was down to 198 in May and only 51 former guerrillas are currently enrolled.

Much of the initial success of the programme was attributed to heavy publicity.

Co-premiers Prince Norodom Ranariddh and Hun Sen made regular public appeals for guerrillas to defect and helicopters air-dropped leaflets with the same message into Khmer Rouge-controlled zones.

Defectors at the camp, however, said that while they were still attracted by the government's call for national reconciliation, the centre itself had acquired a bad reputation.

"We heard that people were not treated well by the military in the camp," one defector said, adding that some guerrillas had escaped back to the jungle and advised their comrades not to enroll.

A human rights organisation which investigated the programme said it had been "marred by corruption involving top army commanders and cases of ill-treatment," but camp commandant General Say Khon dismissed the criticisms as outdated.

"We did have complaints of bad treatment, fake defectors and corruption earlier, but since the end of the first course we have had no problems," he said.

"The programme is going well," he added, but declined comment on the allegation that the number of defectors is down sharply.

Defectors agreed that there were no longer any cases of serious ill-treatment but they complained of strict discipline and few perks.

"We have no money even to buy cigarettes. Life in the jungle was easier than this," a former guerrilla said.

The programme ran into controversy soon after the first re-education course started and it was discovered that several hundred participants were only pretending to be Khmer Rouge.

Civilians and demobilised soldiers had bribed corrupt army officers or middlemen to be enrolled as Khmer Rouge defectors in the hope of landing a job with the national army.

A number of the imposters complained to human rights groups of beatings and other humiliating punishments and more than 200 men, including several genuine guerrillas, later escaped.

The programme was further discredited in January when a Khmer Rouge division commander, his deputy and some 92 other defectors were expelled as imposters.

"Most of them were real Khmer Rouge and felt betrayed. They returned to the forest and rejoined the Khmer Rouge," said a human rights official who asked not to be identified.

The programme now holds so little attraction that most Khmer Rouge who want to defect simply slip away quietly or surrender to local authorities, a defector said.

"Most would prefer to return to their villages and families. Only those who have no alternative come here," he said. The Khmer Rouge control some 10 to 15 per cent of the country and continue to wage a guerrilla war against the government installed following last year's UN-supervised polls.

Although government officials say some 3,000 guerrillas have defected since the amnesty programme started, the Khmer Rouge have still caused significant battlefield upsets for the government forces.

The radical faction is also on a recruitment drive to further boost the strength of their forces, government officials said recently.

Editorial Views Diplomats Statement on Reform

BK2106132994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 20 Jun 94

[Station editorial: "A Diplomat in Phnom Penh Says Cambodia, Which is Facing All Kinds of National and Social Problems, Is in Urgent Need of Political Reform"]

[Text] Recently, an Asian diplomat, who asked to remain anonymous, said that the Cambodian people under the government of the two prime ministers are suffering in all aspects due to national and social problems. The situation in Cambodia remains serious, despite the fact that the UNTAC [UN Transitional Authority in Cambodia] spent $2 billion to remedy it. War has continued, and nothing has been resolved. More aggressor Vietnamese forces have continued to flow into Cambodia. Meanwhile, the government with two prime ministers has continued to provoke the war, attacking the people and patriotic forces. The meager sum of foreign financial aid has been spent on the military and war operations. Therefore, no efforts for national reconstruction have been made. Even roads in Phnom Penh have not been repaired.

The economy does not exist because all the money has been drained by the war. The people are displaced, thus they have no chance to be productive. Some areas that could produce a small amount could hardly meet their own need. This is why there are no products for export in exchange for foreign currency. The officials in the government with two prime ministers are very corrupt.

This diplomat added that there are currently internal rifts within the FUNCINPEC [National United Front for an Independent, Neutral Peaceful, and Cooperative Cambodia]. They oppose Prince Ranariddh, who has pursued a dictatorial policy and associated himself with the Cambodian People's Party [CPC] and especially with Hun Sen. Ranariddh does not listen to anyone. He listens only to the orders of the United States, France, Australia, and particularly the communist Vietnamese through Hun Sen, Sar Kheng, and Chea Sim. This is why, although the communist Vietnamese have moved the border markers 20 to 30 kilometers inside Cambodia, Ranariddh has said nothing.

Due to these national and social problems, the people of all circles are very worried about the fate of the nation and people. Therefore, there have been demands that power be given to King Norodom Sihanouk for a few years so that he can settle national problems by forming a national salvation government with the king as the prime minister and four deputy prime ministers, namely, Prince Ranariddh, Hun Sen, (?Sam Rangsi), and Khieu Samphan. Only by so doing can the serious national and social problems be resolved.

More Villages in Siem Reap Said Liberated

BK2306033594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Jun 94

[Excerpt] On 21 June the people and the National Army of Democratic Kampuchea cooperated in the attack to completely smash the state authority of the communist Vietnam's puppets in Lveng Russei commune, Chikreng District, Siem Reap Province. Some soldiers were killed or wounded. We liberated 17 [figure as heard] villages: Ta Hong, Boeng Sramaol, Thnaol Khnong, Prey Totoeng, Kouk Ampil, Rumchek, Balang, Kbal Kduoch, Kakaoh, Ta Nguon, Lveng Russei, Chambak, Roung, Thmar, Chak, and (Prek Khces).

[Passage omitted on people saying they are happy at being liberated]

Cabinet Meeting Ratifies Investment Law

BK2306091494 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 22 Jun 94 p 11

[Text] Press communique: A plenary session of the cabinet was held at 1500 on the afternoon of 18 June under the chairmanship of Prince Krompreah Norodom Ranariddh and Samdech Hun Sen, first and second prime ministers of the Kingdom of Cambodia [KOC] to examine the investment bill. After a thorough debate, the cabinet ratified this investment bill which has eight chapters and 26 articles.

The cabinet commended the experts for skillfully drafting the bill which has contents suitable for the urgent requirements of the nation and domestic and foreign investment.

The cabinet paid attention to discussing and improving the draft to attract investments to the KOC, thus creating and increasing jobs for the people and enhancing the production in the following domains:

I. Concerning Chapter II dealing with the Cambodian Development Council [CDC], the cabinet unanimously regarded the CDC as the general staff of the Royal Government of Cambodia [RGC] in investment work and the competent body which has sole access to the issuance of investment permits. At the same time, the cabinet agreed on the protection of investors' rights and freedoms. The arrangement, function, and composition of the CDC will be set by a sub-decree.

II. Concerning Chapter III dealing with the investment guarantees, the RGC recognizes all investors equally, that is, there will be no discrimination based on their nationality and race. The RGC guarantees that it will not nationalize the assets of the investors and ensures that it will not control prices of products and services, except for public services and provisions in the books of charge, and will permit the right to purchase and transfer foreign currencies.

III. Concerning Chapter IV dealing with the incentives for investment, the priority domains to be encouraged are as follows:

1. Modern or high-technology industries.
2. Investment projects that are labor intensive, including those in tourism, the industries, and agriculture.
3. Projects to enhance the export or production of import- substitutes, agro-industrial projects, and projects in the processing industry.
4. Projects for the development of the provinces and countryside, the physical infrastructure, and the sustainable energy production located in special development zones.

Tax and duty incentives are as follows:

A corporate tax rate of nine percent; a corporate tax holiday of up to eight years depending on the characteristics of each investment project, whose order of priority will be determined by the RGC in a sub-decree; tax exemption on all reinvested profits; 100-percent tax exemption on goods for export; 100-percent tax exemption on the import of goods to serve investments, to serve projects whose 80 percent of their production is exported, to serve projects in the tourist industry, labor-intensive industry, processing industry, agro-industry, or projects located in the special industrial zones; and permission to bring into the kingdom foreign supervisors, specialists, technicians, specialized workers, and their dependents in line with the KOC's immigration law.

IV. Concerning Chapter V dealing with ownership and use of land, in keeping with the Constitution there is no problem of land ownership for investors who are either physical or juristic persons with Cambodian nationality (meaning, those with more than 50 percent of their gross capitals belonging to Cambodians). As for foreign physical and juristic persons, they are allowed to use land through a long-term lease of up to 70 years. This land use, including all the rights of land ownership, must be implemented in accordance with the law.

V. Also on that occasion, the cabinet agreed that individual disputes will be settled first by the CDC before being forwarded to court. Also, any disputes with the authorities concerned will be sent to ICSID [International Center for Settlement of Investment Disputes].

The implementation of this investment law will be based on the publication of several subsequent royal decrees, sub-decrees, and regulations. However, this law will not affect investors who have been operating before it takes effect.

The cabinet ended its session at 2000 in an atmosphere of unity and with high sense of responsibility.

[Dated] Phnom Penh, 20 June 1994

Trade Ministry Reports Economic Situation

BK2306101794 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 23 Jun 94 p 4

[Summary] The Trade Ministry has reported that Singapore is currently Cambodia's most important trade partner. Up to 40 percent of all imported goods on sale in Cambodian markets are from Singapore, which also tops the list of countries bringing in major goods such as oil worth around 350 millions dollars [currency not further specified]; around 20 millions dollars worth of construction materials; and several other millions of dollars worth of fabrics, television sets, video machines, and other consumer goods. After Singapore, Vietnam brings in about 20 percent of all goods, the most expensive of which is oil.

Apart from these two countries, which hold 60 percent of the Cambodian market, there is Thailand. Imported Thai goods include construction materials, cement, iron bars, fabrics, canned food, and other consumer goods. Imported goods also come from Japan, Hong Kong, the PRC, Taiwan, and Malaysia. Cambodian goods make up only 10 percent of the market; they include fish, meat, vegetables, rice, and a small quantity of handicraft items.

According to the Trade Ministry, Cambodia exports only four goods: natural rubber, aquatic products, soybean, and sawn wood. The latter has been banned by the government since April. Other agricultural products have been exported but so far only surreptitiously. The authorities therefore are not yet in a positon to check the volume of these goods and cannot yet include them on the export list.

Some economists have predicted that Cambodia could export a lot of agricultural products if security is not a major problem for farmers.

Rural Network Planned for Battambang

BK2306100394 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 23 Jun 94 p 4

[Summary] So Khun, state secretary of the Posts and Telecommunications Ministry, recently said that the ministry plans to set up the first phase of a rural telecommunications network in a number of districts in Battambang Province.

The plan is based on an aid of 5 millions German marks from the German Government to the Royal Government of Cambodia to develop telecommunications in rural areas. The plan is for a wireless telecommunications network linking the provincial seat and a number of districts. The modern network will be set up in densely populated townships for use by the public for an appropriate fee. If everything proceeds according to plans, this network can be expanded by early 1995 to Mongkolborei District in Banteay Meanchey Province.

The minister also said that this plan will be implemented by the end of this year at the latest. Studies by German technicians and those from the ministry were completed a few months ago.

Special Vietnamese Police Force Set Up

BK2306033694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Jun 94

[Excerpt] Diplomatic sources in Phnom Penh say the communist Vietnam has set up another special police force named F-91. This group closely operates with the Second Bureau of the two-headed government army. This Vietnamese special force commands and give orders to all puppet troops. It gives orders to Ke Kimyan, Pol Saroeun and other men in the General Staff office. There are also Vietnamese giving orders behind the back of Tie Banh in the National Defense Ministry. These sources also specify that it is this Vietnamese special force that carries out arrests and the most barbarous executions of people. [passage omitted]

Indonesia

Official: No Intention To Stop Wheat Import

BK2206100494 Jakarta THE INDONESIA TIMES in English 13 Jun 94 p 3

[Text] Dr. Beddu Amang, the vice chairman of the National Logistics Agency (Bulog), said in answer to questions from the press recently that Indonesia has no intention at all to stop its import of wheat from the United States. But, Indonesia had not imported the commodity from that country under a commercial basis for the last two years due to the relatively-higher price reason. "That's normal in trade to postpone an import from other countries because of its unreachness [as published]," he said.

The Bulog vice chairman said that the postponement of Indonesia's wheat was done only because of its relatively higher price in a comparison to the wheat import from Argentina and Australia. "From the commercial points of view, we saw that the U.S. wheat import was not competitive in the market," he reiterated.

Moreover, he added Indonesia has requested the U.S. Government to consider the EEP (export enhancement program) to Indonesia for its import of the U.S. wheat. "I hope that the request can be understandably approved by the U.S. Government, " he said, revealing that it is directed to improve the future of the Indonesian people.

The Bulog vice chairman explained that due to the uncompetitive price, Indonesia has asked the U.S. Government for the EEP treatment also imposed to its wheat import similar to other developing countries such as Bangladesh. [sentence as published] However, he said, the request has not yet been accepted yet.

So far, Indonesia has imported its wheat needs from the United States both under the commercial and GSM (general sale manager) 102 3-year-term credit schemes. Last year, Indonesia imported wheat grains from the United States under the GSM 102 basis amounting to 40,000 tons. During the same period, Indonesia's total import for the commodity reached 2.5 million tons.

Dr. Beddu Amang said that due to the relatively-higher price reason of the U.S. wheat in the market, the Indonesian Government has taken into consideration a conversion of its sources of the commercial wheat imports from the United States to other countries, including Argentina and Australia. Indonesia has also commercially imported the commodity from its fellow developing countries.

The price of wheat imports from Argentina and Australia has been about U.S. $170 per ton, whilst its US price is relatively more expensive. "Really," he said, "although the price is already calculated under the GSM 102 scheme, but its figure is still higher," Dr. Beddu Amang said, revealing that the price difference can reach up to around U.S. $20 per ton.

In the current 1994 fiscal year, Indonesia received an assistance under the GSM 102 scheme from the United States amounting to U.S. $165 million, out of which U.S.

$20 million had been allocated for wheat imports from that country, while, the remaining amount was for other commodities, including protein meals, soybeans, and raw cotton.

Hun Sen Says No Further Negotiations

BK2106131694 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 21 Jun 94

[Text] Speaking to newsmen in Jakarta today, Hun Sen, second prime minister of Cambodia, reiterated that the Phnom Penh government will not hold further negotiations with the Khmer Rouge [KR] because it has used all the topics discussed between the two sides at past talks as a platform to support its existence.

He said the failure of the talks between the Phnom Penh government and the Khmer Rouge faction in Pyongyang recently was due to the fact that the Khmer Rouge put forward proposals that did not totally lend support to the integrity of Cambodia. The Khmer Rouge asked for self-rule, which is impossible for the Phnom Penh government to accept.

Meanwhile, on a separate occasion, Prince Ranariddh, first prime minister of Cambodia, reiterated the Phnom Penh government's wish to open a Cambodian Embassy in Jakarta as soon as possible. According to Ranariddh, this will intensify efforts to step up bilateral economic and trade ties with Indonesia. He said that the Phnom Penh government has worked out several incentives to attract foreign investment in Cambodia.

Cambodia Said Debating ASEAN Membership

BK2106141194 Jakarta ANTARA in English 1321 GMT 21 Jun 94

[Excerpts] Jakarta, Jun 21 (OANA-ANTARA)—Cambodia wants to learn about reorganizing its armed forces and dealing with separatist movements by studying Indonesia's own experiences of post-independence restructuring, said Minister/State Secretary Murdiono. [passage omitted]

On the possibility of Cambodia joining the Association of Southeast Asian Nations (ASEAN), Ranariddh said that the issue is still being debated.

He said that he has received strong support from some ASEAN member countries.

When asked whether or not Cambodia will attend the ASEAN Regional Forum (ARF) meeting in Thailand next year, the prime minister simply said that his country has clearly expressed its interest in attending the meeting.

"We have support from Indonesia and Malaysia. I do not know about the other countries such as the Philippines," he said.

"But, I should say that we have not yet received an answer from the host country (Thailand) about our attending the ARF," he added.

The Cambodian co-prime ministers and their entourage are scheduled to visit the Indonesia Aircraft Industry (IPTN) and the Asia-Africa Museum in Bandung on Wednesday.

Cambodia, Indonesia Sign Cooperation Accord

BK2206131094 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 22 Jun 94

[Excerpt] A press statement released by the State Secretariat in Jakarta today said that Indonesia and Cambodia have agreed to expand their bilateral cooperation in the fields of trade, economy, education, and culture. The statement also said that an accord on bilateral economic and technical cooperation has been signed between the two countries during the current visit to Indonesia by the Cambodian co-prime ministers. The accord marks a new era in bilateral relations between Indonesia and Cambodia because the current bilateral cooperation has focussed only on political matters.

Meanwhile, the Phnom Penh government expressed its appreciation for Indonesia's vigorous efforts in leading the Nonaligned Movement (NAM). Cambodia is optimistic that the NAM will be successful under the chairmanship of Indonesia.

Today, the Cambodian co-prime ministers Norodom Ranariddh and Hun Sen visited the state-owned Nusantara Aircraft Industry and the Afro-Asian Museum in Bandung, West Java. [passage omitted]

Taxation Accord Signed With Sri Lanka

BK2206072794 Jakarta ANTARA in English 1751 GMT 21 Jun 94

[Text] Jakarta, Jun 21 (OANA-ANTARA)—The Indonesian and Sri Lankan Governments exchanged instruments of ratification of double taxation prevention agreement at the Ministry of Foreign Affairs in Jakarta Tuesday.

Signing for Indonesia was Foreign Economic Relations Director Wisber Luis while acting for the Sri Lankan Government was ambassador Casie Chetty.

The two sides have signed an agreement in Colombo on February 3, 1993, on the imposition of tax on the income of Indonesian nationals doing business in Sri Lanka, and on Sri Lankan businessmen operating in Indonesia.

The Indonesian and Sri Lankan Governments have also ratified the agreement respectively on February 17, 1994, and October 20, 1993.

The agreement, Wisber Luis said, was expected to further encourage trade and investment activities in the two countries.

The Indonesian has concluded double taxation prevention accords with 47 countries, including those with 27 countries already signed, while those with 15 countries still under negotiation.

Further Reportage on Government Media Ban

Murdiono Defends Action

BK2206104594 Jakarta THE JAKARTA POST in English 16 Jun 94 p 1

[Text] Jakarta (JP)—Minister/State Secretary Murdiono, while defending the record of President Suharto's New Order government, agreed yesterday that the time has come for Indonesia to adopt a more open political system.

Any political system must be dynamic and open to change in accordance with the demands of the situation and the conditions of the time, Murdiono said in a seminar to review the performance of the New Order government.

"It is a fact that the global political trend demands greater political openness and greater respect for human rights. These clearly must be taken into consideration," he said at the seminar organized by the Indonesian Institute of Sciences (LIPI).

"We already have laid the basis for a more open political format that also gives more respect to human rights," he said, referring to the 1993-98 State Policy Guidelines endorsed by the People's Consultative Assembly last year.

During the ensuing discussion, Murdiono said he was concerned that the political openness now being pursued by the government had been misinterpreted by some people.

The government, he said, is advocating transparency, which is not the same as being completely open.

The main difficulty in the move towards greater openness is in ensuring that it does not lead to anarchy, he said, stressing that all parties must treat the issue with responsibility.

Murdiono was the last speaker of the two-day LIPI seminar that was held in memory of the late Alfian, a political thinker who analyzed the New Order administration extensively during his lifetime.

The phrase New Order describes the successive administrations of President Suharto, who has ruled the nation since 1966. The period between independence in 1945 and 1965 under president Sukarno is described as the Old Order.

Murdiono said it was during the New Order era that the country for the first time managed to establish the frame of reference upon which the political system is built. This is based on Pancasila, the state ideology, and the Constitution.

During Sukarno's time the nation went from one upheaval to another as it experienced various political systems which were alien to Indonesia.

Murdiono posed the question whether he thought the political format of the New Order government has been successful and whether it was consistent with the 1945 Constitution. "Without doubt, I will answer yes," he said.

The minister also said that some of the credit, but not all, for the political concepts developed during the New Order should go to the Armed Forces (ABRI) for playing its political role through its "Dual-Function" doctrine in defense and politics.

"It cannot be denied that these concepts had military connotations," said Murdiono, a retired army lieutenant general who has spent most of his public career in civilian clothes.

He said ABRI would be the first to acknowledge that it is only a part of the national power, and that it sees its task as helping to develop the other potentials. "Through this point of view, it is natural that the military is directly or indirectly concerned with the national development."

Murdiono said the military never claimed all the credit for the achievements of the New Order. "A phenomenon which will be politically interesting to analyze is that despite its major political role, ABRI's budget is one of the smallest. It is even more interesting that ABRI's leadership have calmly accepted this."

Openness Said Not Affected

BK2206134294 Jakarta ANTARA in English 1214 GMT 22 Jun 94

[Text] Jakarta, Jun 22 (OANA/ANTARA)—State/Minister Secretary Murdiono stressed here Wednesday that the government will hold on to its policy of openness including the media although it revoked on Tuesday publishing licences of three major Jakarta weeklies.

"The press community would have no problems if they only know how to abide by the country's journalism code of ethics (KEJ) and other existing regulations.

"Follow the KEJ and there would be no problems," Murdiono said.

Association Expresses Views

BK2206134694 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 22 Jun 94

[Text] The Central Executive Council members of the Indonesian Journalists Association [PWI] said they fully understand the government's reasons for revoking the publication permits of two magazines, namely, TEMPO, EDITOR and a tabloid paper DETIK.

In a statement released in Jakarta today, the PWI Central Executive Council noted the several warnings issued earlier by the government to these three publications. The statement was signed by Tony Hadi and Tribuana Said, PWI's secretary general and chairman respectively.

The PWI Central Executive Council is confident that this incident will not cause the active participation of the press in national development to slacken and it will not dampen the spirit of openness between government officials and the people.

Journalists Express Concern

BK2306030094 Jakarta ANTARA in English 1801 GMT 22 Jun 94

[Text] Jakarta, Jun 22 (ANTARA)—The Indonesian Journalist Association (PWI) expressed its concern over the revocation of the leading weekly-magazine TEMPO, EDITOR and the tabloid DETIK.

PWI said in its press release—issued here on Wednesday—that it can understand the government's reasons in cancelling the license of the three publications.

The press release, which was signed by its chairman Tribuana Said, and secretary general Parni Hadi, noted that it believes the revocation will not slacken the participation of the Indonesian press in the national development and dampen the openness spirit among the public.

The journalist association also proposed to the government to issue new licences for the three publications as soon as possible so that journalists of the three media can have their jobs.

It called on the government and the public to go through legal mechanism or the press organization mechanism in handling cases concerning the press itself.

It believes that revocation of publications licenses will not happen if such mechanisms are followed.

Meanwhile, the Indonesian Newspapers Association (SPS) has also expressed its concern over the revocation.

The press release, which was signed by its chairman Jakob Utama and secretary A. Bagyo Purwanto, said that the revocation should remind the press society that the implementation of the principles of "positive interaction between the press, the government and the public" did not yet function well.

Issue of German Warships Clarified

BK2206122394 Jakarta THE JAKARTA POST in English 10 Jun 94 p 1

[Text] Jakarta (JP)—President Suharto, acknowledging the Indonesian Navy's needs to bolster its fleet to defend the archipelago's vast waters, says it still has to operate within the budget.

Suharto however gave his full endorsement to the plan to develop a navy base in Teluk Ratai on the southern tip of Sumatera by making a visit there yesterday.

The project has been mentioned as a candidate for the government axe as the Ministry of Finance and the Agency for the Research and Application of Technology (BPPT) is now haggling over the budget for the Navy's ambitious development plan.

"I fully support the development of the main base in Teluk Ratai," Suharto said during a visit to the site yesterday to launch the project. He said that given the government's budget constraints, the base should be developed in phases.

The President, speaking without a text, stressed that the Navy, and the Armed Forces (ABRI) for that matter, must fall in line with the government's development program which puts emphasis on improving the welfare of the people.

The Ministry of Finance has slashed the navy's proposal for a $1.1 billion budget to finance the purchase and refitting of 39 second hand warships from Germany. The budget includes spare parts and ammunition, as well as for the construction of Teluk Ratai base which will house some of these ships.

It has imposed a limit of $320 million for the entire package, ordering the navy to scale down their plans. The BPPT, which has been appointed to handle the procurement, said it could only bring the figure down to $482 million.

In the original budget proposal, the Teluk Ratai project was to cost US$151 million. This item was excluded from the latest proposal from BPPT.

The haggling between Minister of Finance Mar'ie Muhammad and State Minister of Research and Technology B.J. Habibie became public knowledge when the two were questioned in separate hearings at the House of Representatives on Tuesday.

Suharto in his speech stressed that a strong Armed Forces is crucial for Indonesia to safeguard the fruits of development. He acknowledged that strengthening the Indonesian Navy is a costly venture yet emphasized that the nation needs a dependable force to protect its territorial waters.

The German warships comprising 16 corvettes, 19 tank landers and nine minesweepers, come from the former arsenal of East Germany. They are being earmarked to replace about 40 of the 80 aging ships now being operated by the navy.

Suharto yesterday defended Habibie from criticism of the way he has handled the procurement, saying that he personally asked the minister to handle the negotiations because he was familiar with German officials and industrialists.

"We shouldn't make a big issue out of his appointment. Certainly it was not because we didn't trust the officers in the Ministry of Defense and Security or in ABRI."

He recalled that the idea to buy the ships first came from a private entrepreneur but he subsequently backed out after finding that there would be no commission from the deal. That's when Habibie was asked to step in.

He stressed that the ships were sold at bargain prices even after the additional costs of refitting them were included.

The President warned that the controversy over the procurement of the warships was fanned by people who had little knowledge about the issue.

"They aired their views, further muddling the situation, set one official against another, sowed mistrust between them to the point of disrupting stability," he said. "We won't let them get away. We will warn them, and if that doesn't stop them, we'll take firm action."

He stressed that this had nothing to do with freedom of speech, which is guaranteed by the constitution. "There are laws on how to exercise this right, and any violation should be punished."

Suharto, accompanied by Mrs. Tien Suharto, also went on board the KRI [Republic of Indonesia Ship] Teluk Banten, one of the 17 warships from Germany that had been delivered. From the ship, they witnessed 23 of the navy's ships pass by.

Suharto also witnessed the presentation of five of the German ships from Habibie to Minister of Defense and Security Edi Sudrajat, who in turned handed them over to Navy Chief of Staff Admiral Tanto Kuswanto.

Country Said Now Third Largest Coal Exporter

BK2206110494 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 20 Jun 94

[Text] Ambyo Mangunwijaya, president director of the state-run Bukit Asam Coal Mining Company, said Indonesia, with coal export figures of 20 million tons in 1993, has become the world's third largest coal exporter.

He said that the constant boosting of production would also increase Indonesia's coal exports, which may reach 40 million tons by the end of the current Sixth Five-year Development Plan (Pelita VI) in 1999.

According to Ambyo Mangunwijaya, by the conclusion of Pelita VI, Indonesia's coal output is projected to increase to 71 million tons per year, of which 31 million tons are for domestic consumption and 40 million tons for export.

To boost production, the Bukit Asam Coal Mining Company has entered into cooperation with a number of mining contractors, both local and foreign.

Minister: Rice Situation, No Imports Planned

BK2206140794 Jakarta ANTARA in English 1200 GMT 22 Jun 94

[Text] Jakarta, June 22 (ANTARA)—The government has appealed to the farmers not to hold back their rice stocks because the government is constantly in need of rice in substantial quantities to maintain stability, State Minister Ibrahim Hasan told the press here on Wednesday.

The state minister for food affairs /chairman of the national logistics agency made these remarks after giving an account of the development of the national food stock to President Suharto at the Merdeka [Presidential] Palace.

Minister Ibrahim Hasan said that the food stock controlled by the government reached at present 700,000 to 900,000 tonnes, but it will continue to increase until it reached the safe level of 1.2 to 1.3 million tonnes.

The government will continue to purchase rice not only to meet the people's demand but also to prevent a negative impact of the dry season, he added.

The Central Bureau of Statistics has predicted that the dry season this year will cause a reduction of 2.7 per cent in the production of rice.

Indonesia's demand for rice each year reaches about 2.5 million tonnes.

The minister said that although rice production declined, the government had no intention whatsoever to import this commodity.

Although Indonesia will not commercially import rice, but it will receive 500,000 to 600,000 tonnes of rice in the next few months as reimbursements of the rice lent by Indonesia to several countries, including the Philippines.

The minister also reported about the result of the recent meeting of 16 ministers in the fields of agriculture and food in Montevideo, Uruguay, discussing the implementation of the Uruguay Round which was ratified in Morocco recently.

One of the items discussed at the meeting was the abolishment of subsidies on agricultural produce which have so far been provided by advanced as well as developing countries.

Commenting on the result of the meeting, the head of state said that Indonesia should constantly implement the Uruguay Round decisions, however with taking the national interest into consideration.

"We should always give priority to the national production and imports only as complementary", Minister Ibrahim Hasan said, quoting the president.

He also stressed that Indonesia would fulfilled its obligation to import 70,000 tonnes of rice, although it would only be implemented early in 1995.

Laos

Government Delegation Leaves for UNDP Meeting

BK2106114194 Vientiane KPL in English 0930 GMT 21 Jun 94

[Text] Vientiane, June 20 [date as received] (KPL)—Khamphoui Keoboualapha, deputy prime minister, president of the Committee for Planning and Cooperation on June 18 led a government delegation of the Lao PDR [Lao People's Democratic Republic] to the fifth round table meeting held in Geneva, Switzerland, between June 19-21.

The Lao PDR itself hosts the meeting which is under the sponsorship of the UNDP [United Nations Development Program]. The Lao delegation would present to this meeting a development strategy of the country from now till the year 2000. The strategy covers the development of agro-forestry, industry and services, hydro-power construction, education and human resources.

The Lao Government delegation will brief donor countries and international organisations about difficulties facing the country and its need in socio-economic development in a hope to attract more international fund and investment.

UNDP resident representative to Laos Mrs. Ameerah Haq-perera would also attend this meeting.

After this round table meeting, Khamphoui Keoboualapha and his party will pay a good-will visit to France at an invitation from the French Government.

Hanoi Delegation Arrives for Talks

BK2206045594 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 22 Jun 94

[Text] A delegation from the Hanoi Agricultural and Forestry Service of the SRV, headed by its chief Nguyen Ton Tao, arrived in Vientiane on 16 June along with a number of technicians to visit Laos at the invitation of Thongmi Phommisai, head of the of Vientiane Municipality Agricultural and Forestry Service. Delegations from the two sides will consult and exchange technical experiences with one another with the aim of improving the efficiency of agricultural and forestry cooperation between the two capitals—Vientiane and Hanoi—in the immediate future. At the same time, during its one-week stay in Laos the Hanoi agricultural and forestry delegation will visit such production establishments as the Thongvai Fruit Trees and Seeds Center, the Nongheao Seeds Experimental Center, and the Tha Ngon Plain Production Center.

Protocol on Farming Cooperation Signed

BK2206102094 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 22 Jun 94

[Text] A ceremony was held at the Ministry of Agriculture and Forestry in Vientiane yesterday to sign a protocol on agricultural development cooperation between the Government of the Lao People's Democratic Republic [LPDR] and the DPRK Government in accordance with the primary agreement signed in Vientiane on 6 June by the high-level leaders of the two countries.

Phimpha Thepkhamheuang, deputy minister of agriculture and forestry, and (Kim Chik-suk), respectively representing the LPDR and DPRK Governments, signed the protocol in the presence of the representatives of the Foreign Affairs Ministry, the Prime Minister's Office, and many technical authorities concerned from the two sides.

The protocol designated some areas to conduct agricultural development programs and experimental studies to find proper technical methods in planting crops and raising livestock for commercial purposes. The experimental work will be jointly carried out by the two sides on four locations covering an area of 11 hectares within a period of five years, namely a five-hectare plot at Latsen in Xieng Khouang Province and three plots in Vientiane Province—a one-hectare plot at the Naphok Seeds Experimental Center, a one-hectare plot at the Hatdokkeo Agricultural Center, and a four-hectare plot at the Salakham Agricultural Promotion Unit. New techniques and rice-planting machines will be used on an experimental basis to raise rice production efficiency up to the level achieved by the DPRK, which is capable of producing between eight to 12 metric tons of paddy per one hectare.

Thirteen Power Projects Reported in Pipeline

BK2206055994 Bangkok BANGKOK POST in English 22 Jun 94 p 22

[Text] Laos appears to be hastening its pace to develop a large number of power plants with an aim to export the bulk of their output to meet Thailand's explosive energy demand.

Vientiane has so far signed memorandums of understanding with international consortia to establish 13 power generation projects in Laos with a combined generating capacity of more than 4,000 megawatt (MW), a capacity which satisfies nearly half of Thailand's current power demand.

Khammon Phonkeo, Laos' vice minister of Industry and Handicraft told the Business Post in Bangkok that 12 of the 13 projects are hydroelectric stations and one is an indigenous lignite-based station.

The Laotian Government's decision to proceed with so many projects is largely influenced by indications from Thai energy planners that the Kingdom would be able to increase power purchases beyond the 1,500 MW contained in the memorandum of understanding the two governments signed last June.

Due to the explosive growth in Thai power demand, now increasing at roughly 10 percent a year, there is a strong possibility that the Kingdom could buy up 4.000 MW of electricity in the period between 2000-2010, according to the Laotian minister.

Thailand's power demand in the current 7th Plan was anticipated to grow from 9,000 MW in 1992 to 13,009 MW in the year 2000, representing an average annual growth of 10.9 percent or 992.8 MW.

However, Laos is expected to be able to supply only 1,600 MW to Thailand in the year 2000 because some projects would not be on line by that time, Mr Khammon said.

Four out of 13 projects are in the preparation stage of construction. They are the Nam Theun Hin Boun, Nam Theun II, Houai Ho and Hongsa, which is lignite-fired.

The four projects are more committed in the advanced stage than other projects whose feasibility studies still need to be conducted. Most of them involve Thai investors.

The majority of output from all the power projects in Laos, in which the Laotian Government has certain stakes, will be exported to Thailand.

However, Mr Khammon said it is possible to export some of the power to neighbouring countries like China, Burma, Vietnam, Cambodia and Vietnam.

But agreement on the power price with the Thai authorities will be crucial in determining whether all these Laotian power plants will get off the ground.

Mr Khammon is now leading the Laotian effort to negotiate a power sale agreement with the Electricity Generating Authority of Thailand (EGAT).

Current negotiations center on the power sale pacts for the 210- MW Nam Theun Hin Boon scheme and the 600-MW Nam Theun II plan. The minister said talks on the Nam Theun Hin Boun is now at a much more advanced stage.

He is optimistic that an agreement for Nam Theun Hin Boun could be struck shortly, noting that the difference in prices both sides have asked were substantially narrowed.

In another development, EGAT yesterday won Cabinet approval to proceed with the 14.73-billion-baht investment plan to set up two large-scale power stations to be fuelled by indigenous natural gas.

One of the two projects is the 400-MW combined cycle power plant to be located in Nong Chok. Investment for this project is estimated at 6.52 billion baht.

The other, estimated to cost 3.52, billion baht, calls for the installation of a 200-MW power house in Sai Noi district of Nonthaburi.

Saman Vi-gnaket Meets With Representatives

BK2306065194 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 23 Jun 94

[Text] Comrade Lieutenant General Saman Vi-gnaket, Political Bureau member of the party Central Committee, chairman of the National Assembly, and former chief of the Army's General Political Department, held a meeting with representatives of all Army units from throughout the country on 18 June 1994 in the meeting room of the National Defense Ministry.

First, Comrade Lt. Gen. Saman Vi-gnaket hailed every service of the armed forces for being steadfastly loyal and faithful to the nation and the party, consistently enhancing the fine traditions of the Lao nation and the Army, resolutely persisting in overcoming all difficulties and fulfilling national defense and public security maintenance tasks, and striving to consolidate themselves to become progressive in all fields. The comrade also noted developments in the current international and regional situations; the enemy's sinister designs against our country; and the party's current policies spelled out in the various resolutions adopted by the party, which must be profoundly appreciated and strictly implemented by the armed forces with a high sense of responsibility. In conclusion, Comrade Lt. Gen. Saman Vi-gnaket called on our Army to enhance its fine traditions actively; to fulfill the three-duty and four-relations tasks [not further specified] exceptionally; and to act as a progressive model in all four areas—firmly grasping the party's policy, consistently maintaining the revolutionary line, pursuing correct behavioral patterns, and maintaining a clean and honest lifestyle.

Meritorious Medal Conferred on Minister

BK2206035194 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 22 Jun 94

[Text] On the evening of 18 June at the meeting hall of the National Defense Ministry, a grand ceremony was held to confer meritorious medals on comrades in the leadership of the National Defense Ministry. The ceremony was attended by more than 100 senior and medium-ranking military officers representing many departments and units.

A presidential decree was read on the conferment of the First Class Freedom Order on Comrade Lieutenant General Choummalai Sai-gnason, national defense minister, for his outstanding achievements with other senior military officers in organizing and leading the Lao People's Army [LPA] to fulfill their national defense and construction tasks in recent years. Then, Comrade Major General Soulima Bounleut, deputy chief of the LPA General Political Department, acting on behalf of the organizing committee, invited Comrade Saman Vi-gnaket, chairman of the National Assembly, to confer the First Class Freeddom Order on Comrade Lt. Gen. Choummali Sai-gnason amidst loud applause.

After that Comrade Maj. Gen. Soulima Bounleut invited Comrade Lt. Gen. Choummali Sai-gnason, national defense minister, to confer the Second Class Order of Heroism on Comrade Lt. Gen. Siphon Phalikhan and Lt. Gen. Ai Souli-gnaseng.

Minister Addresses Meeting on Defense Work

BK2206045794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 22 Jun 94

[Text] The meeting on national defense work and the consolidation and building of the armed forces for the first half of this year, held under the chairmanship of Comrade Lieutenant General Choummali Sai-gnason, Political Bureau member of the Lao People's Revolutionary Party Central Committee and national defense minister, has concluded with glorious success after five days of energetic work.

In his address reviewing the meeting's success, Comrade Lt. Gen. Choummali Sai-gnason hailed the high sense of responsibility displayed by all delegates in attendance. They diligently contributed views to the meeting's draft report reviewing national defense work in the first six months of this year as well as work orientations for the consolidation and building of the armed forces in the second half of the year.

The delegates unanimously assessed that despite numerous difficulties in the first half of 1994, our armed forces—together with the multiethnic Lao people—have managed to thwart every sinister scheme employed by bad elements, thereby keeping the situation basically peaceful throughout the country. Moreover, consolidation of the organizational, political, and ideological aspects of all Army units has also made firm progress. Firm economic foundations have been laid to improve the living conditions of all soldiers.

Despite these strong points, our armed forces are still encountering certain obstacles. Political training is still failing to catch up with political organization and practical deeds. The translation of the party's policies into reality has not yet been fully realized. A considerable number of cadres and party members have failed to set up model patterns and practical organizational methods to lead armed units in efficiently performing their work. Negativism still prevails among our cadres and combatants.

Satellite Station Transferred to Ministry

BK2106115094 Vientiane KPL in English 1010 GMT 21 Jun 94

[Text] Vientiane, June 21 (KPL)—The 'Intersputnik' Satellite Station has been transferred from the Ministry of Communication, Transport, Post and Construction (MCTPC) to the Ministry of Information and Culture for use in expanding radio and television system throughout the country.

The handing over of the satellite station was held yesterday between Bouathong Vongnokham, minister of the MCTPC and Osakan Thammatheva, minister of information and culture.

Officials concerned said that to implement a plan for the expansion of radio and television network throughout the country, the two ministries have agreed that this satellite station come under the management of the Ministry of Information and Culture.

Located at km 52 on road 13 north, the Intersputnik Satellite Station was built for Laos in 1980 by the former Soviet Union and used for communication purpose in 1983 under the MCTPC.

Philippines

Farmers Urge Senate Not To Ratify GATT

BK2306082194 Quezon City Radio Filipinas in English 0230 GMT 23 Jun 94

[Text] Filipino farmers are asking the Philippine Senate not to ratify the General Agreement on Tariffs and Trade or GATT, which government representatives signed in Marrakech, Morocco recently. The farmers said the agreement would deepen rural poverty, hunger, and joblessness. The farmers spoke during a hearing yesterday at the Senate on GATT.

Senator Gloria Macapagal-Arroyo, chairperson of the committees on trade and commerce, said her committees will hold judgment on GATT until all sectors are heard. She said the Senate set October as the deadline for acting on GATT to enable the Philippines to catch up with the implementation of the accord.

Marines Attack Abu Sayyaf Camp

BK2306083794 Quezon City Radio Filipinas in English 0230 GMT 23 Jun 94

[Text] Twenty-six people were killed in fierce gun battles in Basilan in Mindanao yesterday between government troops and the Moro bandit group, the Abu Sayyaf. Of the fatalities, 20 were bandits and six were Marines of the Philippines Armed Forces.

The fierce gun battle took place as government troops assaulted the camp of the Abu Sayyaf on top of a hill in Isabela, Basilan. Marine officials said the bandits, who were positioned on the hill, opened fire at the soldiers pinned below.

The Marines decided to launch an assault on the Abu Sayyaf camp to free Catholic priest Father Cirilo Nacorda, being held hostage by the bandits. Negotiations for the release of Father Nacorda had broken down. The bandits held on to the priest after killing 15 people earlier this month. They released 57 other hostages last week during the negotiations. Church officials fear that the bandits have already killed Nacorda following the bombardment of the Abu Sayyaf camp. The bandits have threatened to kill the priest if their camp was attacked.

In Manila, Armed Forces of the Philippines chief Arturo Enrile gave the Marines 48 hours to capture the Abu Sayyaf camp. Enrile brushed aside criticisms that the military was making an overkill by deploying about 2,000 troops backed by heavy artillery and aerial attack. He said superior force was needed to overcome the advantage of the Abu Sayyaf, who had been well entrenched and were familiar with the rugged terrain.

Thailand

Finance Minister Views Dollar Drop

BK2306021594 Bangkok THE NATION in English 23 Jun 94 p B1

[Excerpt] Thai finance officials have been instructed to put the U.S. dollar on the priority watch list after falling against the yen over the past two days, hitting at one time the post-World War II record low of Y99.85 on the New York market.

Finance Minister Tharin Nimmanhemin said, "The U.S. dollar has just started to slip; we need to monitor it further."

He added, "If this is only a short-run development, there won't be much impact. But if it is a long-run problem, there might be a lot of ramifications. I have urged officials to closely monitor the development."

Currency analysts said the fall of the U.S. dollar is not a surprise, but the depths it has reached are indeed low, because the U.S. and Japan have failed to settle their trade disputes.

They said the jitters over the U.S.-Japan trade talks has been accentuated by repatriation of the yen by Japanese corporations, who are selling the dollar for yen on the belief that the economy back home is recovering.

"If U.S. dollar is weakened over a long period of time, there will be significant impact on the baht. But there is an advantage: a large chunk of foreign debt is dominated in U.S. dollars, we might seek to refinance such loans," a ministry source said.

"In our own fiscal position, we are ready for that. It is also the policy of Finance Minister Tharin who wants to seek early repayment of existing loans," the source said.

The baht also appreciated sharply against the U.S. dollar, to the highest level in four months. The mid rate was fixed at Bt25.05 per dollar, while the Exchange Equalization Fund bought the dollar at lows of Bt24.95.

The ministry source added that there had been high volatility in the U.S. financial market. "The U.S. authorities might not want the dollar to be too high. And it is expected that the Federal Reserve may not raise interest rates too high," the source said. Higher interest rates would make the dollar more attractive on international markets.

"The Fed might not want to raise interest rates further because the U.S. economy has just recovered; and world economic growth has been at just 2.5 per cent," the source said.

The benefits of early repayment of dollar denominated loans is not expected to be significant, as Thailand loans are equivalent to only five per cent of its exports, the source said.

As there is more volatility in the foreign exchange market, the swap premium has risen by three per cent to nine per cent, according to a trader at Standard Chartered Bank.

Importers are to pay higher forward rate. The forward rate for one month ahead is BtO.10 a dollar, for two months it is BtO.26 and for three months BtO.41.

Exporters get a premium of BtO.09-BtO.10 a dollar for one month, BtO.24-BtO.26 for three months and BtO.42-BtO.44 for six months, the trader said.

The recent weakening of the U.S. dollar has not created any sense of panic in the local market. Most participants are watching the markets in London and New York to see if the monetary authorities will step in and intervene. [passage omitted]

Article Views Effects of Stronger Yen

BK2306041194 Bangkok THE NATION in English 23 Jun 94 p A7

[Article by Chirawat Na Thalang and Nopphakhun Limsamanphun: "Strong Yen Muscles Firms Out of Japan"]

[Text] Since the yen soared to nearly Y100 to US$1 last August, the pace of Japanese relocation has gained momentum. In the past few months, Japanese companies have announced plans to move capacity out of their home base almost daily. China and Vietnam are among the most popular destinations, followed by Thailand and other ASEAN countries.

What's happening in corporate Japan? Is a restructuring of the world's second largest economy in the making? The strong yen coupled with rising costs at home have driven many once-formidable Japanese firms into the red. Moving increasingly-uncompetitive domestic manufacturing bases out to places where the comparative edges are clearly superior is what corporate Japan is doing relentlessly.

Wages, level of technological development in host countries, and the emergence of sub-regional economic groupings are key factors determining which Japanese industries go to which countries. As for the European markets, Japanese firms have set up factories in the European Union to ensure market access to all 12 countries. Non-EU countries will enjoy tariff privileges once their factories are in the community. Most of the relocations are in high-technology areas.

The ASEAN Free Trade Area [Afta] still has a long way to go due to the grouping's 15-year time span. Deputy premier Suphachai Phanitchapak has called for a shorter timeframe of 10 years to avoid the grouping being left behind in the race of regionalism.

At the moment, Afta has not yet fully kicked into gear but the prospect of expanding membership will make the grouping more attractive especially as the emerging Indochinese economies like Vietnam become new members.

With the long time-span of complete implementation of Afta, Japanese firms have plenty of time and room to manouevre to fine-tune their position on the eventual outcome of this regional effort. In the case of European Union, Japan and other foreign investors do not have much time to spare so virtually everything had to be fixed quickly.

Japanese investment in Korea or Taiwan, regarded as the first newly-industrialized economies (Nies) after Japan, is also undergoing change. High-technology capacity is moving from Japan to this first tier of Nies. Wages are not the determining factor for projects in these countries.

Capacity down the technology ladder goes to countries like Thailand, Malaysia or Indonesia where wages are rising because of rapid economic prosperity over the past decades. Automobile and electronics industries are among the key sectors of relocation.

Industries which are very labour intensive then go to China and Vietnam where the level of technological development is low. This can be seen in the relocation of low-priced textile or footwear manufacturing in Thailand to China and Vietnam because of the wage factor.

With the wave of regionalism washing over the world, there are now enough different sub-regional groupings to create confusion among policy planners. Apec, Afta, Nafta, EAEC and Sea-10. Nies like Korea see Apec as the most promising of all. First, this grouping is the most comprehensive geographically, with members covering both sides of the Pacific.

Secondly, Apec has what appears to be the best mechanism to function—senior official meeting, finance ministers meeting and plan for an environment minister meeting plus the summit of top national leaders hosted by U.S. president Bill Clinton last November. Its membership is also expanding, with Chile due to join Apec as the 18th member later this year.

The probability of Apec to work is high as evidenced by the last senior official meeting in Jakarta at which there was discussion on whether to turn Apec into an open free-trade group. Malaysia appears to be the only country that explicitly opposes this kind of trend.

Spokesman: Stronger Yen Benefits Economy

BK2306015694 Bangkok BANGKOK POST in English 23 Jun 94 pp 17, 26

[Text] A stronger yen and a probable rise in US interest rates could solve some of Thailand's economic problems, says Bank of Thailand spokesman Phisit Li-atham.

The weakness of the U.S. dollar, stemming from a lack of coordinated efforts among central banks and heavy selling by foreign-exchange traders anticipating intervention, is creating pressure for the U.S. Federal Reserve to increase interest rates.

"The economy needs cooling," said Mr Phisit.

He said inflationary pressure in Thailand is manageable. The Bank of Thailand is expected to meet next month, however, to re-evaluate the situation based on higher crude oil prices and stronger than expected export performance.

Several Thai bankers estimate the Thai inflation rate to be close to 5 percent, a percentage point higher than the central bank's target of 4 percent.

Mr Phisit said a Bank of Thailand study found that interest costs amount to a small portion of Thai corporations' total business costs, and the effect of higher interest rates, approximately a quarter-points above the current rate, may not be severe.

A rate hike by the U.S. Federal Reserve would affect the Thai financial system and naturally push rates here higher, said Mr Phisit. "The increases are in the range expected by Thai businesses."

Higher inflation bought on by higher oil prices would be partially offset by higher foreign currency earnings, gained from exports that have outperformed the central bank's target, he said.

The baht has also strengthened against the dollar, standing yesterday at 25.05, the strongest in 18 months. Oil prices are quoted in dollars and Thailand tends to source lower-cost crude oil. Local refining capacity increases have also lessened the impact, said Mr Phisit.

On the trade picture, Mr Phisit said in the long run, a strong yen could force Thai importers to turn to other countries, while exports to Japan could benefit. Since Thailand is currently a net importer from Japan, however, increased import costs could add to the inflationary pressure in the medium term.

The net impact is the question, said Mr Phisit.

"Consumption of imports could decrease and locally manufactured products increase," he said. Thais' propensity to consume imported goods from Japan, has shown little sign of change in the past, however.

A recent Bangkok Bank economic forecasting model predicted that since the U.S. economy is primarily driving the world's economic growth, a U.S. slowdown could translate to a drop in Thailand's GNP growth, below the central bank's estimate of 8-8.2 percent.

Japan's economy is showing signs of strength, however, and could supplement the U.S. as a market for Thai goods. Japan's economy, surprising most economist with a 3.9 percent annualized growth rate in the first quarter of 1994, saw its growth prospects increase even in a strong yen environment.

And with an economy that depends on exports to the U.S., the Japanese central bank had been supporting the dollar in an effort to reduce the pressure on Washington to increase interest rates.

Meanwhile, Thai Farmers Bank's executive vice-president Sombun Chinsawanon said the volatility in the international foreign-exchange market, where the yen is appreciating against the dollar and the Deutsche mark, is unlikely to make a strong impact on the Thai economy as a whole.

He said the sector that will be affected directly is external trade, particularly exports to the U.S. where exporters have to hedge themselves against foreign-exchange risks, making export prices higher.

But Thailand will benefit from exporting to Europe and Japan if they quote their prices in marks and yen respectively. Overall, the positive impact from exporting to Europe and Japan will outweigh the negative impact on exports to the US.

"Overall, Thailand will not be losing from the situation," he said.

The yen yesterday rose as high as 99 to the dollar.

During the past two weeks, the baht has appreciated 12 satang against the dollar from 25.16 to 25.04.

Mr Sombun said the sudden weakening of the U.S. dollar stemmed from the recent series of rate increases by the Fed.

Article Previews Chuan's ROK Visit

BK2306085994 Bangkok BANGKOK POST in English 23 Jun 94 p 4

[By Phaisan Sicharatchanya and Saritdet Marukhathat: "More Than a Goodwill Visit"]

[Text] Bilateral Thai-Korean trade issues and regional security are expected to dominate official talks between Prime Minister Chuan Likphai and South Korean leaders during the Thai premier's official visit to Seoul beginning today.

The agenda of the Thai side is clear: of the US$2.3 billion worth of two-way trade in 1993, Thailand suffered a US$1.2 billion deficit and this deficit is expanding as a result of growing Thai imports of South Korean automobiles. So one of the key missions of the Thai delegation is to negotiate for larger South Korean imports of Thai products.

"For a country that now ranks as the eighth or ninth largest trading partner of Thailand, the level of knowledge and interest in South Korea from the Thai side has been minuscule," said a senior Thai diplomat based in Seoul.

Unlike the deep-rooted relations between Thailand and other major diplomatic and trading partners in Northeast Asia, such as Japan and China, there has been far fewer exchanges between businesses and educational institutes in Thailand and South Korea. As such, Thailand knows or understands little about South Korea.

The Thai side is not to be blamed entirely, however. It took four years for the South Korean side to hold what was supposed to be an annual, rotational meeting of the two countries' trade ministers. Following numerous delays, the meeting was finally held in Seoul last August and it is Thailand's turn to host the meeting this year.

All this could change for the better as a result of Mr. Chuan's visit. The prime minister brings with him about 10 ministers responsible mainly for trade and investment plus a small delegation of Thai businessmen.

"The visit underscores Bangkok's recognition of South Korea as an important trading partner," said Surachai Sirikrai, director of Thammasat University's Institute of East Asian Studies.

"This should pave the way for more Korean investors to set up business here instead of in Indonesia, which is one way of easing the trade imbalance," he added.

In ASEAN, Indonesia has been preferred by South Korean investors partly because of its abundant natural resources and partly because they want to avoid stiff competition with Japanese businesses that are already well-established in Thailand.

Outside ASEAN, major South Korean corporations such as Hyundai, Daewoo and Ssang Yong are actively investing in Indochina, especially Vietnam, where they enjoy the same head start as other foreign investors and even a competitive edge over the Japanese.

The Thai emphasis on expanding economic ties will certainly appeal to South Korean leaders, who are not only intent on improving bilateral relations with Thailand but also on grander schemes.

South Korean President Kim Yong-sam made clear in an interview with the Bangkok Post that he wanted Thailand to serve as a base for South Korean businesses venturing into Indochina and Burma.

He also held out hope for the dynamic economies of both countries to work jointly in leading economic growth in the Asia-Pacific region.

Judging from those statements, it is clear that Seoul is adopting a foreign-policy strategy similar to the Japanese as far as its relationship with Thailand is concerned.

Former Japanese prime minister Kiichi Miyazawa, during his Bangkok visit in January 1993, also proposed a Japanese-Thai partnership to undertake the task of helping to rehabilitate the Indochinese economies.

In sum, Seoul is placing a greater emphasis on both economic and diplomatic relations with ASEAN. And just as South Korea sees itself as the centre of Northeast Asia, it also regards Thailand as its strategic partner in ASEAN.

Seoul also sees itself playing an important role within the broader framework of the Asia-Pacific Economic Cooperation (APEC) forum. South Korea is chairman of APEC's Trade and Investment Committee, which is one of the few institutionalised bodies in the regional grouping.

"As a dialogue partner of ASEAN on one side, and enjoying close economic linkages with North America on the other, we want to serve as the bridge between AFTA (ASEAN Free Trade Area) and NAFTA (North American Free Trade Area)," said Assistant Minister for Foreign Affairs Choi Dong-chin.

The US is South Korea's biggest trading partner, taking one-third of its exports. Though ASEAN ranks fourth in terms of trade, it is South Korea's second-largest investment partner after the European Union.

Economic issues aside, the Thai and South Korean leaders will discuss measures to enhance cooperation on regional security.

In fact, security matters are topmost on the minds of the South Koreans. This is hardly surprising in light of the South's preoccupation with the North's suspected nuclear weapons development programme.

Asked what specific issues he would raise for discussion with Mr. Chuan, President Kim responded: "First of all, we will focus our attention on how our two countries should pull together to resolve the North Korean nuclear issue, which is threatening the security of not only this region but also of the entire world..."

As part of its diplomatic lobbying for international backing to force North Korea to halt its nuclear weapons programme, Seoul intends to solicit Thailand's support for sanctions against Pyongyang.

Bangkok has all along maintained a low-key stance on the Korean nuclear conflict, apparently preferring to leave the issue to the major global powers to resolve. But the Thai

Government is on record as saying that it would go along with any sanctions resolution adopted by the United Nations Security Council.

However, the prospect of imminent sanctions has now been momentarily blunted by North Korean leader Kim Il-song's pledge to freeze the North's nuclear programme plus his offer to hold the first-ever summit meeting with his southern counterpart. These messages were conveyed to former US president Jimmy Carter during his recent visit to Pyongyang.

Nonetheless, measures to resolve the nuclear dispute on the Korean peninsula will still feature highly in talks between the Seoul leaders and Mr. Chuan.

The South Koreans are attaching much importance to next month's meeting in Bangkok of the ASEAN Regional Forum. The last thing they want is to fight another Korean War with the North. Hence they are placing high hopes on the forum to evolve into a venue for addressing vital regional security matters such as arms control and preventive diplomacy.

"We'd like to actively participate in the Southeast Asian security forum," said Assistant Minister Choi. "We want to defuse potential conflict and promote confidence-building measures."

In the final analysis, Seoul wants to develop an economic and diplomatic partnership with Thailand so that both countries can help promote growth and security in the Asia-Pacific region.

Given such high expectations, South Korean officials say Mr. Chuan's visit will be more than just a goodwill trip.

Prime Minister Leaves for ROK Visit

BK2306065594 Bangkok Radio Thailand Network in Thai 0530 GMT 23 Jun 94

[Text] The station correspondent reported from the Royal Thai Air Force Headquarters airport that Prime Minister Chuan Likphai and his delegation left Bangkok this morning for an official visit to the Republic of Korea from 23-26 June at the invitation of President Kim Yong-sam of the Republic of Korea.

High-level dignitaries in the entourage include Deputy Prime Minister Amnuai Wirawan, Deputy Prime Minister Suphachai Phanitchaphak, Foreign Affairs Minister Squadron Leader Prasong Sunsiri, Defense Minister General Wichit Sukmak, and Deputy Commerce Minister Chaiyot Sasomsap, as well as a group of 14 businessmen.

The main aim of the visit is to strengthen and further develop the existing relations and cooperation between Thailand and the Republic of Korea, especially in the economic and political fields, as well as cooperation in this region.

Deputy Minister Previews ASEAN Forum

BK2206132594 Bangkok Voice of Free Asia in Thai 1030 GMT 22 Jun 94

[Text] As the chairman of the ASEAN Standing Committee in 1994, Thailand will organize a forum dealing with security in Asia, or the ASEAN Regional Forum—ARF, on 25 July. Deputy Foreign Minister Surin Phitsuwan talked to a VOFA [Voice of Free Asia] correspondent about the ARF.

[Begin recording] [Surin] July the 25th will be a historic day for the region, or even the world. Eighteen foreign ministers or their representatives will participate in a forum on security, stability, and mutual confidence in Southeast Asia. The forum is called the ASEAN Regional Forum, which will stress security cooperation and confidence building in order to jointly develop the region into an area which is peaceful and permeated with an atmosphere conducive to cooperation. This will lead to economic prosperity. The theme is: whoever has an interest in this region is invited. Whatever issues regarding the concerns, anxiety, or lack of confidence that anyone has can be aired at the meeting in order to create a frankness in the process to transform the region into the most peaceful and stable zone.

The aforementioned is the philosophy set by the government from the beginning. It is the use of preventive diplomacy [two previous words rendered in English]. Regarding this philosophy, problems are prevented from worsening to disputes through dialogue and opportunities for dialogue available in the ASEAN arena in order to eliminate misunderstandings.

The 25th of July will be a historic day for the region and new-style diplomacy in Asia and the Pacific.

[Unidentified correspondent] What will be the issues discussed in the upcoming ARF?

[Surin] The first currently hot issue is the situation in Northeast Asia—the Korean Peninsula. The meeting will discuss how it can contribute to defusing the situation. Our belief is that a dispute anywhere in Asia and the Pacific will have repercussions upon the whole region. Therefore, we do not want to see an occurrence of disputes in Northeast Asia because it could create a lack of confidence and security in other regions, especially Southeast Asia. We want the ARF to be a forum for dialogue between countries, such as Korea, China, Japan, the United States, and Russia which may have a direct part in the stability and security in Northeast Asia. That is the first point.

The second point concerns the problems in Southeast Asia that worry countries outside the region. These problems include investment and stability in Indochina, problems in Burma, cooperation between ASEAN and countries outside in security, arms buildup, and making the region nuclear free and politically and militarily neutral. These issues will be discussed in the ARF. The smaller issues such as human rights, arms buildup, and territorial disputes will probably be brought up as well but they will not be points dominating the discussions. The meeting will likely talk about cooperation to prevent future disputes, or the use of preventive diplomacy, to gain prompt involvement of the United Nations or its organizations in solving the problems instead of solving them as were the case in Cambodia, Somalia, and Bosnia. [end recording]

Ministry Retaliates Against India

BK2206110094 Bangkok Voice of Free Asia in Thai 1030 GMT 21 Jun 94

[Excerpt] According to a report from the Business Economic Department, the Commerce Ministry has received complaints from local manufacturers of dumping of hydrogen peroxide by India. After an investigation, it was found that the product was exported to Thailand at a price lower than the price charged consumers in India. In retaliation and in order to offset the impact, the Commerce Ministry has made hydrogen peroxide originating in India subject to a surcharge of 30 percent of FOB [freight on board]. The special surcharge has been in effect since 14 June. Importers of hydrogen peroxide are required to declare their surcharge payments using application forms which are available at the Foreign Trade Department. [Passage omitted]

Cambodian Border Checkpoint To Reopen 1 Jul

BK2306072094 Bangkok BANGKOK POST in English 23 Jun 94 p 6

[Text] Aranyaprathet—Thai and Cambodian officials yesterday agreed to reopen the Poipet-Khlong Luk border checkpoint on July 1.

The closure of the border point on April 9 following fighting between Cambodian government forces and Khmer Rouge guerrillas has hurt Thai traders and caused hardship to the Cambodians. Tourism has also slumped.

Earlier, the border was set to be reopened on June 1 but minor hitches delayed this by a month.

An agreement to reopen the border was signed yesterday after successful talks between the Cambodian delegation led by Banteay Meanchey Governor Gen Duong Khem and the 12th Army Division commander Gen Lai Vira and Thai representatives headed by Sa Kaeo Governor Kasem Chaiyasit and Burapha Task Force commander Maj-Gen Niphon Pharunnit.

Governor Kasem said although fighting had scaled down in Cambodia, stray shells still fell occasionally on the Thai side, causing damage to property and inflicting casualties.

Maj-Gen Niphon said he had proposed the setting up of a Thai- Cambodian coordinating office to deal with cross-border robbery and banditry by armed Cambodians.

Banteay Meanchey police chief Pol Maj [Police Major] Mar Putthou said Highway 5 from Poipet to Sisophon was under military protection and safe for travel.

At the crossing yesterday about 5,000 traders and villagers from both sides gathered at the border checkpoint, hoping to cross the border to resume their trade. But their hopes faded as officials barred them from crossing.

Vaccine Tests Slated for Discontinuation

BK2306095194 Bangkok BANGKOK POST in English 23 Jun 94 p 6

[Text] Thailand's first HIV/AIDS vaccine tests are expected to be discontinued after it has been found they violate the HIV/AIDS National Vaccine Development Plan.

The Thai Red Cross Society's AIDS programme director, Praphan Phanuphak, earlier this month injected 30 volunteers with an initial dose of the candidate vaccine, GP 120, to test its safety.

A senior official with the National AIDS Prevention and Control Committee said yesterday the AIDS programme had not followed the National Vaccine Development Plan's guidelines which state that any institution testing vaccines should be equipped with laboratories.

The results of the candidate vaccine on the volunteers are not tested by Dr Praphan. They are sent to the vaccine producer, United Biomedical Incorporation of the United States, for testing.

A member of the World Health Organisation (WHO) steering committee on AIDS vaccine development, Nat Phamonprawat, said Thai researchers should carry out any vaccine tests even if the vaccine is obtained from abroad.

He said Thai researchers should head the tests and any foreign researchers should only act as advisers.

Dr Nat said Thailand should set up laboratories to test vaccines so it can obtain maximum information about the results.

The Public Health Ministry's AIDS Division director, Wiphut Phuncharoen said it was unacceptable for the blood of volunteers to be sent to the United States for testing.

"How can we be sure the manufacturing firm is not biased towards its own product?" he asked.

Mr Wiphut said it was the responsibility of the National AIDS Prevention and Control Committee's Data Safety Monitoring Board to look into locally conducted HIV/AIDS vaccine tests.

The committee chaired by Dr Prasoet Thongcharoen of Mahidon University now cannot function officially because Public Health Minister Athit Urairat has not approved the committee's appointment.

Dr Athit, the chairman of the Sub-Committee on National AIDS Prevention and Control, cannot sign the appointment because he is in hospital.

The deputy chairman of the House Committee on Public Health, Wichai Chaichitwanitchakun of the New Aspiration Party, warned Dr Praphan to stop the tests of the

HIV/AIDS vaccine following reports from the US that six of 300 volunteers being tested there have become infected with the deadly disease.

But Dr Wiphut of the AIDS Division said the consent forms signed by volunteers injected with the vaccine in the US clearly states the volunteers were not infected with the virus due to the vaccine.

Dr Wichai said the Red Cross Society should be responsible for the volunteers' health for three to five years after the tests, not simply for the nine months while the tests are being conducted, as side effects may develop later.

He said he would also propose to Parliament that it issue a law providing up to two million baht in social security benefits for medical staff working with AIDS patients.

The Red Cross's Dr Praphan was unavailable for comment yesterday.

NSC Chief: Danger of Terrorist Activity

BK2306072294 Bangkok BANGKOK POST in English 23 Jun 94 p 2

[Text] Support from all resources in the country including public cooperation is required to cope with possible acts of international terrorism, National Security Council [NSC] chief Charan Kunlawanit said yesterday.

The NSC chief made the statement at a seminar on "Policy and Guidelines on International Terrorism" which was jointly organised by the NSC and the Interior Ministry.

The seminar at Government House was attended by about 450 senior government offices, provincial governors and high-level authorities concerned with international terrorism.

Gen Charan said that since 1972 there have been eight incidents regarded as acts of international terrorism, the last being the huge water-tank bomb containing C-4 plastic explosives found in a truck in front of Lumphini police station in March this year.

Most of the events involved the hijacking of aircraft. In these events, Thailand had never been a party in the conflict, he said.

For example, the water-tank bomb was aimed at an embassy by terrorists from another country who chose to use Thailand as the venue for their activities, he added.

Gen Charan said that Thailand, as a member of the International Terrorism Suppression Organisation, has exchanged information and intelligence on activities and identities of blacklisted international terrorists.

The NSC itself has coordinated with the National Intelligence Agency and Police Department on this matter but people in general are usually unaware of such activities, he said.

Gen Charan said Thailand has a policy of not wanting to see any terrorist activities in the country. If an event of this nature takes place, Thailand would solve the problem in a way it can to maintain the country's interests.

Two Terrorists Surrender to Officials

BK2306100794 Bangkok Radio Thailand Network in Thai 0530 GMT 23 Jun 94

[Text] This morning, two terrorists belonging to the BRN [Barisan Revolution Nasional] Group—Mr. Takariya Bunae, 30, and Mr. Doloying Totanyong—both natives of Pattani Province, surrendered to Mr. Banyat Chanthasena, provincial governor of Yala, so as to participate in the national development program.

On this occasion, the governor of Yala congratulated the two persons for having admitted their faults and for deciding to become good citizens so that they can live with their families and earn an honest living. He also said that the government authorities are willing to give fair treatment to those who surrender and will try to find ways to enable them to lead peaceful lives in society.

The two who surrendered had lived in the jungle for two years and all the time had had to escape government officials. Due to heavy suppression by government authorities in every locality, they therefore contacted officials concerned for their submission.

Moreover, the two men disclosed that at present terrorists are scattered in different places after fleeing attacks by government officials.

The Yala provincial governor gave some money to the two national developers as a morale-boosting gesture.

Vietnam

War Veterans Delegation Visits U.S., France

BK2206132394 Hanoi VNA in English 1401 GMT 18 Jun 94

[Text] Hanoi VNA June 18—A delegation of the Vietnam War Veterans's Association led by Sr. Lt. Gen. Tran Van Quang president of the association, paid a working visit to the United States and France from mid-May to early June.

The visit came at the invitation of the president of the International Committee for Fund Raising for the Construction of 'Vietnam's Van Canh Friendship Village', the mayor and the Santa Cruz City Council, California, the US, and the French War Veterans, and Invalids Association Arac-France and the Marseille chapter of the Vietnamese's Association in France.

While in the US, the Vietnamese delegation attended a conference of the fund-raising committee held in Santa Cruz, California, with the participation of representatives from Britain, Germany, the US, Japan, and France aimed at stepping up preparation for the construction of the village. It also took part in a round-table meeting on veterans' reconciliation in the presence of US veterans from different localities.

In France, the Vietnamese delegation attended a ceremony held in Marseille to mark President Ho Chi Minh's birthday. In Paris, it took part in an international conference of the veterans' organizations of Britain, Bulgaria, Germany, Hungary, Russia, France, Slovakia and Vietnam.

It also attended a meeting in support of the construction of the Van Canh Friendship Village.

31st Joint Search for MIA's Begins

BK2306102994 Hanoi Voice of Vietnam in English 1000 GMT 23 Jun 94

[Text] Vietnamese and American experts on Wednesday conducted the 31st joint search for MIA's, while there has been a breakthrough to the diplomatic relations between the two countries.

The MIA office in Hanoi said about 102 American experts took part in a joint search, which will end by 17 July in 27 provinces. One hundred Vietnamese took part in eight search groups. Five of them will excavate U.S. aircraft downing sites and the rest will interview the local people.

Tran Duc Luong on Normalization of Relations

BK2306104394 Hanoi QUAN DOI NHAN DAN in Vietnamese 31 May 94 pp 1,4

[Report on 30 May interview with Deputy Prime Minister Tran Duc Luong by QUAN DOI NHAN DAN correspondents Thuy Chi and Hong Ky in Hanoi]

[Text] Deputy Prime Minister Tran Duc Luong met with newsmen on 30 May in Hanoi after his 10-day visit to the United States from 18 to 28 May. He answered many questions from our correspondents:

[Correspondent] Dear Deputy Prime Minister, how do U.S. businessmen view the opportunities for doing business and investing in Vietnam?

[Tran Duc Luong] The U.S. business circle has admitted that Vietnam, with a population of more than 72 million, is a large market. The country also has a favorable position as a country in a fast developing economic region. During previous years, the U.S. business community took the lead in demanding that the U.S. Government normalize relations with Vietnam. At present, U.S. companies are continuing to request the government to normalize relations with Vietnam as soon as possible and to grant it the most favored nation status so that they can have favorable conditions for doing business in Vietnam.

[Correspondent] Mr. Deputy Prime Minister, could you elaborate on the areas of great potential in cooperation between the U.S. and Vietnam?

[Tran Duc Luong] The U.S. companies are paying keen interest in all projects to which Vietnam wants to attract foreign investment, especially projects related to oil and gas, telecommunications, and electronic and computer items. While U.S. industrial companies are paying keen interest in the Vietnamese market, various prestigious financial and banking agencies in the U.S. say they will send representatives to Vietnam soon.

The eight Vietnamese businessmen who accompanied me had separate meetings with their U.S. counterparts and have reached initial agreement on some areas, including plans to export a large amount of rice to the U.S., the exploitation of oil and gas in Vietnam, and the opening of direct flights between the two countries.

[Correspondent] Is the U.S. business sector raising any obstacles at all regarding doing business and investing in Vietnam?

[Tran Duc Luong] In our meeting with U.S. businessmen, we presented both sides of our situation. We not only told them about the potential and prospects in the Vietnamese markets, but also frankly briefed them on the difficulties and restrictions in doing business in our country. For example, our infrastructure is poor, our legal system is not yet perfect, and our economic cadres and state management mechanism are not effective because we have not yet firmly grasped the functions and activities of the market economy. U.S. businessmen who have visited Vietnam understand the difficulties currently faced by our country. They said that these are immediate difficulties that Vietnam can overcome and then step by step improve and perfect the business and investment situation in the country.

[Correspondent] What is your appraisal of the potential of Vietnam-U.S. relations?

[Tran Duc Luong] In the past, the U.S. Government drew a road map for the normalization of U.S.-Vietnam relations and the U.S. Government has affirmed that it will continue with this road map. During our meetings with authorized U.S. officials, we asked whether the U.S. has a new road map or timetable for the normalization of U.S.-Vietnam relations, to which they answered that the two countries are advancing on the road to normal relations and toward the direction of building a good relationship and mutual understanding. I think that, strategically, both countries have realized that it is essential to establish normal relations so as to advance toward building a sincere friendship and cooperation in a constructive spirit. This is the unswerving and principled stand of both sides. In addition, both sides will hold more meetings in the near future to resolve various outstanding problems.

[Correspondent] Thank you, Mr. Deputy Prime Minister.

Minister Receives Japanese Delegation

BK2206145394 Hanoi VNA in English 1424 GMT 22 Jun 94

[Text] Hanoi VNA June 22—Deputy Prime Minister [P.M.] Tran Duc Luong received here this afternoon a delegation of the Japanese Government led by Director of the Foreign Ministry Shigekazu Sato now on a working visit to Vietnam.

Speaking to his guests, Deputy P.M. Tran Duc Luong said that the multi-faceted cooperation between Vietnam and Japan has recently seen fine steps of development. He stressed that the two countries would further strengthen their bilateral relations and make positive contributions to the cause of development in the Asian-Pacific region for peace, friendship and cooperation. Deputy Prime Minister Luong highly appreciated the Japanese Government's valuable assistance to Vietnam, especially the Official Development Assistance (ODA). He also expressed his wish for the further consolidation and development of the cooperation of mutual benefits between Vietnam and Japan.

For his part, Mr. S. Sato noted that the aim of the Japanese delegation's visit is to exchange views with concerned officials of the Vietnamese Government to promote the economic cooperation between the two countries in the form of ODA loan. He highly valued the important achievements recorded by the Vietnamese people in their cause of socio-economic development.

Military Delegation Concludes DPRK Visit

BK2206150494 Hanoi VNA in English 1447 GMT 22 Jun 94

[Text] Hanoi VNA June 22—The Vietnamese high-ranking military delegation led by Gen. Doan Khue, politburo member of the Communist Party of Vietnam Central Committee (CPVCC) yesterday left Pyongyang concluding a week-long official friendship visit to the Democratic People's Republic of Korea (DPRK).

While there, the Vietnamese military delegation was received by President of the DPRK and General Secretary of the Korean Workers' Party Central Committee (KWPCC) Kim Il Sung. It also had talks with a DPRK high-ranking military delegation.

The Vietnamese delegation also toured some units and colleges of the People's Armed Forces of the DPRK and a number of socio-economic establishments and scenery in Pyongyang and other localities.

Radio Reviews Diplomatic Activities

BK2206103594 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 21 Jun 94

[From the "Topical Talk" by Editor Vu Dinh Vinh]

[Excerpts] [passage omitted on the growing trend toward peace and cooperation in the Asia-Pacific region] The situation in the Eastern Sea also directed regional and international public attention to us as various incidents have occurred right on the continental shelf of Vietnam and its exclusive economic zone. The above situation requires that all countries, be they big or small, resolve their differences and disputes. This includes their current territorial disputes, which must be resolved through peaceful negotiations on the basis of respect for each other's independence, sovereignty, and territorial integrity and respect for international law in line with the common trend toward refraining from the use of force or the threat of force and the creation of pressure in international relations.

Vietnam has been and will be working according to the motto cited in ASEAN's Manila Declaration of July 1992 and in the statement of the 10th Nonaligned Conference in Jakarta in September 1992. Vietnam also hopes that all the parties concerned will also follow these principles.

Regarding the Eastern Sea situation, we categorically assert the sovereignty of Vietnam as a coastal country and the Vietnamese people's determination to protect their sovereignty over their continental shelf and their exclusive economic zone in accordance with international law, especially with the United Nations' 1982 Convention on the Law of the Sea. We also affirm Vietnam's stance of good will, that is its desire to resolve all differences in accordance with the above principles and to call on those parties concerned to avoid further complicating the situation.

Everyone knows that security and stability in the Eastern Sea is a decisive factor for the collective security and stability of the entire Asia-Pacific region, for the safety of sea routes, and for trade development in one of the world's bustling regions. The Eastern Sea has great significance for the interests of many countries and it is hoped that this will inspire those parties concerned to resolve and deal with their differences in a scrupulous fashion. For our part, Vietnam pledges to do the same.

We will be providing a brief review of the situation in the region to show the course of diplomatic activities of our country during the first six months of 1994:

—The scope of the already close relationship between Vietnam and Laos has been broadened, thus improving the effectiveness of the all-around cooperation between the two countries.

—The visit of Prime Minister Vo Van Kiet to Cambodia in early April this year brought Vietnamese-Cambodian relations into the orbit of substantive cooperation with the signing of a series of agreements on trade, economic, cultural, scientific, educational, training, and transit cooperation, and on the establishment of a joint commission. As for the two pending issues, namely the border issue and the issue of foreign nationals, Vietnam and Cambodia have agreed to set up a subcommittee to resolve these issues through negotiations.

—With ASEAN countries, recent inexorable exchanges of visits between high-ranking Vietnamese leaders and the leaders of ASEAN countries testified to the vigorous growing trend of cooperative relations between Vietnam and the ASEAN countries. Apart from those agreements on cooperation in various domains, especially in economic, trade, cultural, scientific, and technological fields, on a bilateral basis, a new trait of the situation is that the multilateral relations between Vietnam and ASEAN have been raised to a new level.

All the ASEAN countries have supported the idea of promptly granting ASEAN membership to Vietnam. As an immediate step, they have allowed Vietnam to participate in five committees and six cooperation programs and in the regional forum to be held in Bangkok in July to exchange views on measures to be taken to guarantee regional security.

—Worthy of note is that following President Ho Chi Minh's first visit to Myanmar [Burma] in February 1958, our prime minister also paid an official visit to Myanmar—a Southeast Asian country which has great sentiments for us and has long provided assistance to our people's struggle—in May 1994.

—The Vietnamese-Chinese relations have been marked with the extensive exchanges of various delegations from all sectors and echelons, including a Vietnamese National Assembly delegation led by the National Assembly chairman. The two sides have signed various agreements on transit shipping and have opened various border gates such as the Mon Cai and Dong Hung border gates. These measures are aimed at putting their business and exchange activities on the right track. Various talks at the expert level on overland boundaries and on the delineation of the Bac Bo Gulf in accordance with the agreement on basic principles for resolving border and territorial issues on land and at sea were signed between the two countries in October last year. The territorial border issue is, of course, not simple and has, at times, been very complicated. We need patience and good will and we must refrain from doing anything that may further complicate the situation. [passage omitted reviewing various trips and state of relations with countries]

Proceeding from the desire to see a peaceful and stable Korean Peninsula and with its consistent support for the cause of peaceful unification of Korea, Vietnam has always striven to consolidate its friendly relations with the DPRK and broaden its mutually beneficial relations of cooperation with South Korea. In this direction, our party and the Korean Workers' Party have exchanged visits at the party central committee secretarial level. The South Korean foreign minister officially visited Vietnam in mid- May 1994 while a high-level Vietnamese military delegation led by Senior General Doan Khue, minister of national defense, has been on an official friendly visit the DPRK since mid-June. [passage omitted]

Dear comrades and friends, it can be said that the first half of 1994 saw inexorable diplomatic activities by Vietnam. Not only did these activities contribute greatly to the cause of peace, stability, cooperation, and cooperation with countries in the region and the world but they also demonstrated the positive character of Vietnam's efforts to stabilize and develop its socioeconomic, security, and national defense activities. These new traits have been all the more a source of encouragement for our Army and people to remain firm in the cause of building and defending their socialist fatherland.

Government Amends Policy on Censorship

BK2306101594 Hanoi QUAN DOI NHAN DAN in Vietnamese 2 Jun 94 p 4

[Text] On 30 May 1994, the government promulgated Decree No. 44-CP amending Article 2 of Decree No. 79-CP dated 6 November 1993.

Under the newly-promulgated decree, Article 2 of Decree No. 79-CP has been amended as follows: "The state will not censor publications before they run off the press, except in cases deemed necessary by the prime minister of the government. In such cases, the minister of culture and information will bear responsibility before the prime minister for the censorship of and action against the publications involved."

National Assembly Meeting Continues

22 Jun Proceedings

BK2206114294 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 22 Jun 94

[Text] Today is the 24th working day of the Ninth National Assembly's Fifth Session. The deputies continued their work in the conference hall.

In the morning session, the National Assembly debated and passed the draft law on the promotion of domestic investment, which consists of seven chapters and 21 articles. The National Assembly also passed the draft law on the amendment to some articles of the Company Law and the draft law on the amendment to some articles of the Private Business Law.

In the afternoon, the National Assembly debated and passed the draft law on the amendment and supplement to some articles of the Military Service Law. Also in the afternoon session, Comrade Vu Mao, on behalf of the National Assembly Secretariat, read a report on the legislative building program for the last six months of the National Assembly and a draft resolution of the National Assembly on the legislative work in the last six months of 1994. The National Assembly debated and approved the draft resolution.

Tomorrow morning, all National Assembly delegations will meet to draw experience from the Ninth National Assembly's Fifth Session before holding their work in the conference hall. Tomorrow afternoon, the National Assembly will hold its closing session.

Minister Delivers Report

BK2306082094 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 23 Jun 94

[Text] The Ninth National Assembly's Fifth Session entered its 25th day of work today. In the morning, the deputies held group discussions to draw on the experiences of the session. At 1000, the National Assembly held a plenary meeting at the conference hall to hear Foreign Minister Nguyen Manh Cam report on our state's foreign affairs activities during the past period. The National

Assembly approved a resolution on National Assembly personnel and the amendment to Article Four of the Law on Tax for Transfer of Land Use. This afternoon, the National Assembly will hold the closing ceremony of the Ninth National Assembly's Fifth Session.

Communique No. 21

BK2206155294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 22 Jun 94

[Text] The National Assembly Office issued Communique No. 21 as follows:

Today the National Assembly held a plenary session in the conference hall under the direction, in the morning, of National Assembly Vice Chairman Vu Ha Phan. The deputies discussed and passed the Domestic Investment Encouragement Law, the amended Company Law, and the amended Private Business Establishment Law. The deputies heard a report from Finance Minister Ho Te on behalf of the Compilation, Inspection, and Secretariat Committees. In the report he summarized the opinions and suggestions of deputies on the Law of Domestic Investment Encouragement.

Later the deputies heard Secretariat Member Ly Tai Luan read the draft law chapter by chapter and the assembly voted on its approval. There were 22 deputies who voiced their opinions about the draft law. They are: Mai Thuc Lan and Nguyen Don from Quang Nam-Danang; Pham Phu and Le Khac Binh from Ho Chi Minh City; Nguyen Ngoc Tran from An Giang; Le Xuan Tung from Hanoi; Truong Thi Khue from Quang Tri; Huu Tho from Vinh Phu; Nguyen Viet Dung from Ha Bac; Dang Khoi from Nam Ha; Do Van An from Son La; Le Viet Duoc from Thanh Hoa; Nguyen Quoc Thuoc from Nghe An; Nguyen Khuong from Binh Thuan; Cu Hoa Van from Lao Cai; Dam Van Nguy from Cao Bang; Nguyen Khac Tao from Ha Tinh; Nguyen Thi Hong Minh from Minh Hai; Nguyen Duc Thang from Kien Giang; Tran Anh Kiet from Quang Ngai; Nguyen Van Yeu from Hai Hung; and Nguyen Dinh Loc from Yen Bai.

During the discussion, Finance Minister Ho Te explained the issues that deputies had further raised about the draft law. The assembly voted chapter by chapter and passed the whole draft law on domestic investment encouragement. This is an important law which will contribute to the motivation of all capital sources such as natural resources, manpower, and other potentials of our country.

The assembly also heard Finance Minister Ho Te to report on behalf of the Compilation, Inspection, and Secretariat Committees, which summarized the opinions of deputies on the two drafts of the amended laws on companies and on private business establishments. Secretariat Member Ly Tai Luan read the full texts of the two draft amended laws. The assembly unanimously passed the two draft amended laws. The promulgation of the amended laws on companies and on private business establishments is the answer to a number of newly arisen problems and will ensure consistency in current legal stipulations.

In the afternoon, the assembly worked under the direction of National Assembly Vice Chairman Dang Quan Thuy to pass the draft law to amend a number of provisions of the Military Obligation Law. The assembly heard National Defense Deputy Minister Dao Dinh Luyen give a report on behalf of the Compilation, Inspection, and Secretariat Committees summarizing the opinions of deputies on the draft law. Secretariat Member Nguyen Thi Ngoc Phuong read the text of the draft law. Fifteen deputies spoke on the draft law. They were: Tran Van Cua from Minh Hai; Tran Van Nien from Kien Giang; Do Quoc Thang and Cu Hoa Van from Lao Cai; Duong Tan De from Vinh Long; Dinh Van The and Nguyen Xuan Thuyet from Vinh Phu; Vu Dinh Cu from Hanoi; Truong Thi Khue from Quang Tri; Dang Cong Thach from Long An; Tran Thi Mien from Hai Hung; Nguyen Khac Tao from Ha Tinh; Dam Van Nguy from Cao Bang; Nguyen van Rang from Ho Chi Minh City; and Nguyen Quoc Thuoc from Nghe An.

After the deputies had spoken, National Defense Deputy Minister Dao Dinh Luyen further explained the issues raised by the deputies. The assembly passed, chapter by chapter, the whole draft amended law on military obligation. This is an important law which responds to the need to heighten the quality of our army in order to strengthen our national defense in the new situation.

Also in the afternoon session under the direction of National Assembly Vice Chairman, the deputies heard Vu Mao, member of the National Assembly Standing Committee and head of the Secretariat, read the report of the National Assembly Standing Committee on the law making plan of the National Assembly in the last six months of the year, a report on the opinions of deputies to amend the National Assembly Resolution, and the draft of the National Assembly Resolution on the law making plan.

More deputies gave their opinions: Nguyen Dinh Loc from Yen Bai; Dang Khoi from Nam Ha; Ho Te from Haiphong; Nguyen Viet Dung from Ha Bac; and Hoang Minh Thang from Quang Nam-Danang. The assembly then unanimously passed the resolution on the law making plan for the next six months.

Tomorrow, 23 June, the National Assembly will hold a plenary session in the conference hall.

Minister Wants AMC Individuals Punished

BK2306094994 Hanoi NHAN DAN in Vietnamese 7 Jun 94 p 1

[Text] Recently, the Dong Nai Province Agricultural Materials Corporation imported 40 tonnes of poor quality DK888 corn strains from Thailand for sale to peasants in Xuan Loc District, Dong Nai Province, causing heavy losses to production.

After reviewing a report by the Government Office and the action taken by the Ministry of Agriculture and Food

Industry and the Dong Nai Province people's committee, the prime minister of the Government instructed the people's committee to prepare a detailed report on the case to determine the responsibility of the Agricultural Materials Corporation [AMC] for the imports and sale of poor quality corn strains to peasants, take appropriate disciplinary action against those individuals involved, and adopt urgent practical measures to ensure the interests of the peasants.

The prime minister also instructed the people's commitee to direct the Agricultural Materials Corporation in contacting the Thai exporter to resolve this problem.

Following this incident, the prime minister instructed state management agencies and organs and units in charge of supplying agricultural materials countrywide to uphold a sense of responsibility in preventing a recurrence of such an incident.

Australia

Canberra Sending Reconnaissance Mission to Rwanda

BK2306063994 Melbourne Radio Australia in English 0500 GMT 23 Jun 94

[Text] Australia is sending reconnaissance missions to Rwanda before deciding on whether to contribute to an expanded united force there. A five-person team from the Australian Defense Force will go both to Rwanda and to New York for talks with United Nations officials. Graeme Dobell reports from Canberra that the reconnaissance mission is a sign of continuing Australian caution about getting involved in Rwanda.

Keating: No Need To Raise Interest Rates

BK2306081894 Melbourne Radio Australia in English 0500 GMT 23 Jun 94

[Text] The prime minister, Paul Keating, has again said the government sees no need for an increase in official interest rate arguing that such a rise would only generate new wage claims. But as speculation continues over a possible rise Federal Opposition Leader Alexander Downer has attacked the prime minister's record on financial management.

[Begin Downer recording] I would make the point that it was Mr. Keating as the treasurer who deregulated financial markets and wanted Australia to operate in this deregulated environment and there's no point in him turning around, now having deregulated financial markets and attacking those financial markets for not agreeing with him. [End recording]

Papua New Guinea

Government Urged To Resume Talks

BK2306074494 Melbourne Radio Australia in English 0500 GMT 23 Jun 94

[Text] A meeting of Bougainville representatives on both sides of the secessionist uprising has called on the Papua New Guinea [PNG] Government to agree to a resumption of talks as early as next week. The call on talks for preparations for a peace conference comes after a meeting of Bougainvillians in Solomon Islands capital, Honiara, on Tuesday.

The Bougainvillians issued a joint statement asking the PNG Government to urgently consider calling a cease-fire so that senior leaders of the Bougainville Revolutionary Army [BRA] could attend the meeting. The statement said the terms of the cease-fire could be negotiated. The statement said a lasting peace and amicable solution to the Bougainville conflict could only be solved by the people of the island themselves working together with all sides involved.

A scheduled meeting earlier this week to discuss a peace conference fell through because senior BRA leaders said that they could not attend.

Talks Cancelled as Rebels Unable To Attend

BK2206085794 Melbourne Radio Australia in English 0500 GMT 22 Jun 94

[Text] Papua New Guinea's Prime Minister Paias Wingti has revealed that talks between government officials, Bougainville leaders, and rebels had been canceled earlier this week because the leaders of the Bougainville Revolutionary Army could not attend. The Port Moresby based newspaper, THE NATIONAL, says Mr. Wingti told us that the Honiara meeting did not go ahead as planned because the government decided that Francis Ona and Sam Kouna had to be involved. He said the government did not want to waste its time by talking to a variety of people and then not getting any results. Mr. Wingti reportedly also said that the government would not make any announcements until talks between the leaders on both sides were over.

New Zealand

International Investment Position Declines

BK2106053894 Hong Kong AFP in English 0419 GMT 21 Jun 94

[Text] Wellington, June 21 (AFP)—Foreign investors are continuing to buy into New Zealand faster than locals are buying assets overseas, government statistics showed Tuesday as the country's net international investment position deteriorated for the fifth year.

The statistics show that at the end of March 1993, the net position was 54.3 billion New Zealand dollars (32.08 billion US dollars) in deficit, 8.1 billion dollars worse than the previous March and the fifth year of decline.

This flowed from a decrease of 1.4 billion dollars to 31.7 billion dollars in overseas assets held by New Zealand investors and an increase of 6.7 billion dollars to 86 billion dollars in foreign-held assets in New Zealand.

The 6.7 billion dollars increase in New Zealand's total international liabilities stemmed from rises in both foreign equity holdings in New Zealand companies and in borrowings overseas.

Equity rose to 23.2 billion dollars at the end of March 1993 from 18.5 billion dollars a year earlier, mainly due to a 4.6 billion dollar increase in foreign direct investment involving 25 percent or more of the voting shares of a company.

New Zealand investment abroad amounted to 21.7 billion dollars at March 31, 1993, compared with 24.8 billion dollars a year earlier.

In contrast, foreign investment in New Zealand increased to 76 billion dollars from 71 billion dollars.

Bolger Views MP Delegation's Planned Visit

BK2106050894 Hong Kong AFP in English 0407 GMT 21 Jun 94

[Text] Wellington, June 21 (AFP)—New Zealand will find it difficult to monitor what happens to people who speak to a group of its MPs when they visit the disputed Indonesian province of East Timor, Prime Minister Jim Bolger said Tuesday.

Bolger's answer in parliament came in response to a question on the upcoming visit by MP Phil Goff.

"Will it be a condition of that visit that the delegation be free to speak with whomever they wish, and given Amnesty International's warnings on past experience about victimisation of those who speak to such delegations, will it be a condition that those spoken to will not be subject to subsequent forms of reprisal?" Goff said.

Bolger, who visited Indonesian President Suharto in Jakarta earlier this year after a majority of New Zealand MPs signed a petition protesting alleged human rights abuses by Indonesia in the former Portuguese colony, said he believed Suharto would welcome the visit by four or five MPs.

But, he added, "Its going to be very difficult for us to in anyway to control or monitor that."

Bolger said he had suggested the MPs also visit other Indonesian provinces during their August 18-September 13 trip, including West Timor, for comparison purposes.

During Bolger's visit to Jakarta, Indonesian Foreign Minister Ali Alatas claimed New Zealand parliamentarians had only a shallow understanding of the situation in East Timor, annexed by Indonesia in 1975 in a move still not recognised by the United Nations.

Western Samoa

Government To Grant More Funds for Airlines

BK2106104594 Hong Kong AFP in English 1022 GMT 21 Jun 94

[Text] Apia, June 20 (AFP)—Western Samoa's ailing national carrier Polynesian Airlines (PAL) will receive another financial boost if government funds become available, Prime Minister Tofilau Eti Alesana has promised.

He told parliament on Monday the government had no intention of folding PAL and, pending approval of the government budget, it will receive 1.5 million tala (520,000 US dollars).

This would be the government's first direct cash injection for the airline that so far has been funded by government-guaranteed international loans.

In April Treasury Department financial secretary Sala Epa Tuioti said PAL had a debt equivalent to about 26 percent of the government's income, posing a threat to the state.

He estimated PAL's total debt to be 45.2 million tala. The size of the debt made it "highly unlikely that any commercial lender would offer to make PAL a loan" even with a government guarantee, he said.

PAL deputy general manager Muliagatele Gina Moore said Monday the April Treasury report had been a distortion.

"Unfortunately this leak has caused substantial damage to Polynesian's reputation at a time when substantial benefits to the economy from tourism and air cargo are just beginning to be felt," she said.

She said passenger levels from North American and Australia were at all time highs and its assets were substantial.

Prime Minister Launches Verbal 'Assault'

BK2106132594 Hong Kong AFP in English 1317 GMT 21 Jun 94

[Text] APIA, June 20 (AFP)—Western Samoa's dignity had been damaged in 1980 by apologizing to Nauru, Prime Minister Tofilau Eti Alesana told parliament here Monday.

Lashing out at Nauru, he compared its size to that of a glass of water and said it was a Pacific nation with no honorific greetings or genealogy.

His assault on phosphate rich Nauru came just two weeks after Nauru President Bernard Dowiyogo was here for independence anniversary celebrations.

Tofilau was referring to an incident in 1980 when, under a previous government, claims were made that Nauru had funded opposition political groups. As a result of the claims, Nauru promptly withdrew its investments in Samoa, resulting in an apology from the then government of Prime Minister Tupuola Efi, who is now Opposition Leader and is known as Tupua Tamasese Efi.

The most senior member of the opposition Samoa National Development Party present in the house, Ulualofaiga Talamaivao Niko, said Monday's remarks by Tofilau were "childish and stupid" and would have a damaging impact on relations with "our brothers in the Pacific."

"If we look down on Nauru because of the size of Nauru, how would we feel if countries bigger than Western Samoa did the same? ...I'm very ashamed.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.